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# FINANCIAL TIMES

No. 26,962

Thursday May 6 1976

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## THE PACKAGE

### Pay

- Maximum weekly increase of £4 and minimum of £2.50, with a 5 per cent. limit on increases for those in middle band of earnings in year to end of July 1977.
- Net estimated effect will be average 4½ per cent. on wages, 5½ to 6½ per cent. on earnings; 2 per cent. impact on retail prices.
- No consolidation of £6 or of new increase into overtime or bonuses; only contractual increments allowed, as under existing policy.
- No scope for productivity schemes, anomaly payments. No easing of 12-month rule. No improvements in pensions, except to conform with minimum contracting-out provisions.
- Price Code to be modified to encourage investment.
- Public expenditure up £50m. — £35m. to avoid 5p autumn increase in school milk charge; £15m. to Manpower Services Commission for training, bringing total MISC money to date to £438m.

### Tax

The following conditional changes were announced in April Budget and will now be implemented. They are backdated to April 6:

- Allowances on earnings for single persons and working wives up £60 to £75. Married allowance up £130 to £185. Additional personal allowance up £70 to £350.
- Thresholds and bands for higher rate taxpayers up £500 up to and including 60 per cent. band. No change in 65 per cent. rate, which continues to start at £10,000, nor for higher rates.

## Chancellor's target is 5-6% inflation rate by end of next year

# Pay rises to range from £2.50 to £4

BY ANTHONY HARRIS

THE GOVERNMENT and the TUC have agreed on a pay formula to succeed the £6 limit which is expected to add about 4½ per cent. to wages and up to 6½ per cent. to earnings in the year beginning in August. The aim is to bring inflation down to 5-6 per cent. by the end of 1977.

This is almost exactly the same effect as the more flexible 3 per cent. norm, which Mr. Denis Healey, Chancellor of the Exchequer, proposed in his Budget speech.

Mr. Healey told the Commons yesterday that the Government would go ahead with the full programme of conditional income tax cuts, costing £920m. in a full year, put forward in the Budget. He also announced spending proposals costing £50m., but said that these would not be allowed to raise the public expenditure total for the year.

The Chancellor claimed that the new deal was consistent with the Government objective of halving the rate of inflation. Wage costs would contribute only 2 per cent. to prices under the new policy.

Under the second stage policy British wages would be rising more slowly than those in any important competing countries, with rises of up to 2½ at the long in the U.S. wages are expected to rise 8-9 per cent.

The new formula, which is more generous than the nominal terms than the Government would have wished, but under much tighter rules, did not impress Healey statement and reaction Page 11 • Editorial comment Page 18 • Special articles Pages 18 and 19 • Sterling Back Page

the industrial training programme of the Manpower Services Commission.

The pay deal proposes a new formula to succeed the existing £6 limit. This will allow a supplement of 5 per cent. on gross earnings, calculated weekly, for the 40 per cent. of the labour force earning between £50 and £80 a week. The minimum supplement will be £2.50 and the maximum £4.

This formula, calculated on individual weekly earnings, is thought to allow no room for ambiguity. Anticipated earnings drift of up to 3 per cent.—the Treasury's highest figure—is attributed entirely to cyclical factors: higher overtime and some move to better paid jobs.

As under the existing limit, normal contracted annual increases—paid mainly in the public services—will be allowed on top of the formula. It is claimed that these do not increase average pay levels, due to retirements at the top of the scale and recruitment at the bottom.

There is no cut-off point as in the £6 policy either for the pay increases or for the tax concessions, so that even the higher paid will get some benefit, in terms of take-home pay. A married man with two children under 11 and earning £15,000 a year will get a rise of 3.4 per cent. in net income, after allowing for his pay increase, his lower taxes and his higher national insurance contributions from April 6 this year.

Continued on back page

### WHAT THE AGREEMENT MEANS

£ A WEEK (ANNUAL SALARY IN BRACKETS)				
Gross pay £	Increase in gross £	Last year's net pay* £	This year's net pay† £	Increase in net† %
40 (2,080)	2.50	32.58	35.63	9.4
60 (3,120)	3.00	44.48	47.78	7.4
120 (6,240)	4.00	82.58	85.61	3.7
180 (9,360)	4.00	112.40	117.35	4.2
300 (15,600)	4.00	154.26	159.56	3.4

† After tax and National Insurance. ‡ After pay increase, tax changes and National Insurance increase. Figures are for a married man with two children under 11. Further details on a wider salary band Page 18.

# TUC accepts policy by 25 votes to five

BY ROY ROGERS, LABOUR CORRESPONDENT

TUC LEADERS voted yesterday by an overwhelming 25 to five to endorse details of the proposed new policy. The pay deal was agreed at a marathon 10-hour bargaining session which ended at 3.30 a.m. yesterday.

Supreme confidence that the policy will be backed by the special TUC arranged for mid-June was expressed yesterday by a beaming Mr. Leo Murray, TUC general secretary. He described it as an honourable agreement, and one the TUC wanted to see honoured.

Mr. Murray conceded that the TUC had achieved its full aim on pay, which he said had been for a 6½ per cent. increase, adding that the Government, in the shape of Mr. Healey, had been "very tough". In addition the TUC had come to accept that a lower deal would still be consistent with its aims.

The AUEW's approach to the policy will, however, be considered at its conference later this month, for which more than 25 motions hostile to pay restraint have been tabled.

The AUEW's attitude to the policy could well be crucial to its successful implementation, as could that of the National Union of Mineworkers, whose general secretary, Mr. Lawrence Daly, also came out firmly behind the proposals at yesterday's General Council.

Predictably Mr. Jack Jones, Transport Workers' leader and architect of the £6 policy, played a leading role yesterday by telling the General Council that it would be tragic if the proposals were thrown out, as a Labour Government, helped by the unions, offered the only chance of overcoming the present economic difficulties.

As the voting showed, he was supported by the vast majority of the Council, especially Mr. David Barnett of the General and Municipal Workers, Mr. Scanlon of the AUEW and Mr. Bill Keys of the Society of Graphical and Allied Trades.

The general view of the five who voted against the policy was that not enough was being done to control price rises and that, without a return to free collective bargaining, their members would slip further behind.

## £50m. maximum

The overall final figure was rather lower than they had hoped but was the maximum they could achieve if the Chancellor was to put his offered tax concessions into operation. Much of Tuesday night's unexpectedly long negotiations were taken up on how best to allocate £50m., which the Chancellor took great pains to stress was the absolute limit which could be for "more public expenditure."

The TUC plumped for school meals and jobs subsidies, so that early pension rises and higher fuel allowances for the old were not included in the deal.

The Government is committed to further talks on continuing price controls, and according to Mr. Murray is considering TUC demands for selective import controls, especially of Japanese cars.

Yesterday's General Council majority, which compared with a much closer 19-3 split at the corresponding stage of the £6 policy last July, would have been even higher but for eight absentees. This indicates that acceptance of the policy at the June Congress is certain, although the size of the majority will depend on how the proposals are received by individual union conferences in the meantime.

The five who voted against yesterday were Mr. Ken Gill, Communist general secretary of the Technical and Supervisory Section of the Amalgamated Union of Engineering Workers; of the Congress, and that all Mr. Allen Sapper of the TV delegates will have before them technicians; Mr. Clive Jenkins will be the report, which will be of the Association of Scientific, Technical and Managerial Staffs; Council.

## Report soon

Details of the TUC's new pay guidelines will go out to unions to-day, and the TUC Economic Committee will set about producing a report next week on the pay proposals, and the progress in discussions on prices and other items in the social contract between the Labour Government and the TUC, to go before the special Congress.

It has been decided that there will be no motions from the floor of the Congress, and that all Mr. Allen Sapper of the TV delegates will have before them technicians; Mr. Clive Jenkins will be the report, which will be of the Association of Scientific, Technical and Managerial Staffs; Council.

## NEWS SUMMARY

### GENERAL

## Ulster jail break-out

Eight prisoners who escaped by a secret 40-foot tunnel from Ulster's Maze Prison, on the outskirts of Belfast, were still missing late last night. All were members of the Irish Republican Socialist Party, a break-away group from the Official IRA.

A ninth escapee was caught by police after being spotted near a motorway and is being held at Lisburn. Three men on remand and three awaiting trial took part in the break-out. The men used tools stolen from a workshop.

## Crucial cod war decision to-day

The Government's decision on whether to provide greater protection for the British trawler fleet off Iceland is due to-day. The Ministry of Agriculture recognises that withdrawal of the trawlers would in effect mean that Britain was conceding the defence points to the high seas, with damage to naval frigates already about £1m. Back Page

## France to boost defence spending

The French Cabinet has adopted a five-year military spending programme, providing for a rise of nearly 15 per cent. annually in defence expenditure from 1978 onwards. Next year's military budget will amount to Frs.58bn. (nearly £1bn.), rising by 1982 to Frs.115bn. Page 6

## Parity 'conceded'

Conservatives are now convinced that the Government will concede their demand that the Opposition parties should be given parity with the Government on Commons standing committees.

### Briefly...

Anti-rabies campaign, costing £50,000, was launched by the Government. Page 21

Children may be allowed free bus travel within statutory walking distance of their schools under new arrangements being considered by the Government.

Andrelecht of Belgium beat West Ham 4-2 in Brussels in the European Soccer Cupwinners' cup.

### CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)		
Treasury 11½p 81.1011 + 1		
Treas. 10½p 81.1011 + 1		
Aust. and NZ Banking 47½ + 10		
Barlow Rand 23½ + 7		
Bentons Clark 80 + 4		
Berkeley Hambro 147 + 5		
Brent Chemicals 87 + 3		
Brook St. Bureau 45 + 4		
Cape Inds. 198 + 7		
Daily Mail 14 + 1		
Fraternite Estates 4 + 1		
GHP 120 + 6		
Guinness Peak 180 + 4		
Heath (C. E.) 101 + 30		
Howden (A.) 184 + 3		
Huntley Assoc. 88 + 10		
Johnson Matthey 282 + 5		
Leslie and Godwin 124 + 3		
Milnerware 198 + 10		
Norvic Secs. 25 + 3		
Reed Intnl. 275 + 4		
Sainsbury (J.) 130 + 10		
Seavus Romana 27 + 7		
Ward and Goldstein 85 + 4		
Weyburn Eng. 230 + 6		
PN Saiplass 190 + 28		
Palabora 190 + 28		
Paragon Intnl. 212 + 11		
President Brand 514 + 1		
Randfontein Est. 111 + 1		
Thames 255 + 9		
Western Deep 1102 + 2		
Brookfield (F.) 59 + 4		
Clash 407 + 5		
Hartle Machinery 26 + 4		
Leamy Prod. 81 + 3		
Pacton (S. Arbro.) 55 + 31		
Taylor Woodrow 278 + 10		
Granite 110 + 7		

### BUSINESS

## Gilts rise; equities slip 0.2

EQUITIES reacted cautiously to the pay deal. The FT 30-Share Index, which was up 2.6 at 10 a.m., showed a net loss of 1.9 at 1 p.m. before recovering to 420.6, off 0.2 on the day.

GILTS responded to the pay pact and the prospect of reduced inflation by showing gains of up to 1½ for long.

STERLING fell 25 points to \$1,825.00 in a fairly thin market. But the pound's trade-weighted depreciation narrowed to 37.4 (37.5) per cent., while the dollar's widened to 172 (1.65) per cent. Back Page. Lira, Page 6

GOLD fell 8½ to \$127½.

WALL STREET fell 7.34 to 886.46.

## £32m. property deal in City

HONGKONG AND SHANGHAI BANKING Corporation will pay £32.35m. for the head leasehold of its new City of London headquarters. Town and City Properties is negotiating the sale of two office developments in Rotterdam municipality for £25.5m. Back Page

BUILDING INDUSTRY work may continue to fall for another year, said Mr. Martin Grafton, director-general of the National Federation of Building Trades Employers. Page 9

MONOPOLIES Commission has been asked to examine aspects of wholesaling of national newspapers and periodicals. Page 8

### COMPANIES

J. SAINSBURY made pre-tax profit of £15.52m. (£14.93m.) in the year to March 6. Page 22 and Lex

LONRHO has bought a 4.5 per cent. holding in Combined English Stores and Mr. R. W. "Tiny" Rowland becomes deputy chairman. Back Page

BANK OF IRELAND proposes to raise £11.6m. in a rights issue. Page 20 and Lex

# Industry gives broad welcome but sees problems ahead

BY ADRIAN HAMILTON

BRITISH INDUSTRY yesterday gave the pay package a broad welcome, but also saw the need for a more productive element into the next round is broadly in accord with what the CBI and industry generally had been urging.

More important, the norm does seem rather less than a number of companies had been feeding into their internal estimates of U.K. wage inflation.

The finance director of one large company commented last night that his own organisation had been working on the assumption of a 10 per cent. earnings increase over the next year.

"We shall have to see whether the new deal will stick. But if it does prove effective, then we could be relatively better off than our foreign competitors, whose wage inflation now seems to be going upwards with the economic revival."

A major problem of the deal will be its effectiveness in industries such as engineering, where shortages of skilled labour are becoming apparent in some areas, and where differentials, which normally widen during a recession, have been badly squeezed by the succession of pay rises.

"There is no doubt," one economist said, "that there could be real problems if there is a sharp upturn. The pay code presents particular problems for companies recruiting skilled workers and seeking shift work for skilled men during higher activity."

"Experience on previous occasions suggests that ways are found round any code and that the wage drift becomes substantial. If the recovery is rapid during the early part of next year, then the same may well happen again."

With the pay negotiations between the Government and TUC largely over, there are indications that business in turn may get tougher rather than less so in its relations with Government on other issues.

The CBI said yesterday that it would be seeking an early meeting with the Chancellor in an effort to get him to abandon some of his Budget proposals on perks and give more tax benefits to middle management. There were signs further that

industry is becoming concerned at the Government's reluctance to make major changes to the price code in spite of Mr. Healey's renewed promise that negotiations would be made to promote investment.

One body of opinion within the CBI is already urging that the confederation refuse to negotiate on price controls unless the Government agrees to drop the system of cost justification and moves to margin control only.

The Conservatives, led by Sir Geoffrey Howe, also found it difficult to resist the temptation to criticise the agreement too harshly. Instead, the Shadow Chancellor's tactic was to damn it with faint praise.

He argued that there would be surprise that the target of 3 per cent. proposed by the Chancellor was wide enough to include the figure of 4½ per cent.

Sir Geoffrey stressed that the highest importance should be attached to the relaxations, proposed in price controls which were crucial to business confidence, and he criticised the adverse effect of the upper pay limit of £4 a week on skilled workers and middle management.

"Conservative leaders are anxious to point out that however welcome a pay agreement is, it is only part of the answer to Britain's economic difficulties. Of crucial importance in their view is the continuing need to cut public expenditure to ensure that the country lives within its means."

Mr. John Birt, Liberal economic spokesman, said his party was glad an agreement had been reached, but he added: "However satisfactory 4½ per cent. may be as a result of these negotiations, it is unfortunately 4½ per cent. more than the country can actually afford, and will either have to be borrowed or printed."

It was important that the British people should recognise that the best pay limit for the next 12 months would be nil. That was the only limit which accorded with Britain's economic realities.

## Cautious response from MPs

BY RICHARD EVANS, LOBBY EDITOR

THE PAY agreement received a broad though in parts lukewarm welcome from MPs yesterday when Mr. Denis Healey, Chancellor of the Exchequer, disclosed its details to the Commons.

Conservatives gave the pact a cautious reception and it was stressed that a pay agreement was only one of the weapons needed to combat inflation and restore full confidence in the U.K. economy.

Labour MPs greeted the Chancellor's statement, including his announcement that all the new national tax concessions in the Budget would take effect, with relief. The Left-wing made no attempt to attack the agreement.

Mr. Healey pointed out that the TUC General Council had backed the formula by a big majority, that the £6 limit had been in place for 18 months, and that the Government's economic policies would be used to maintain a silence.

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# Royal Academy rumpus over dress on hanger

A DRESS on a wooden coat-hanger, pieces of embroidery and a picture "that looks like knitting" have led to a row at the Royal Academy on the eve of the summer exhibition.

The controversial exhibits are in one of the main galleries at Burlington House, home of the Royal Academy, where the exhibition opens on Saturday.

They were not selected by the usual hanging committee procedure, but were the choice of Mr. Peter Blake, aged 44, former pop artist and an Associate RA, who was invited by the Academy council to hang a personal selection.

Mr. James Fittton, a senior Academician, said yesterday: "Some of it is just rubbish. One picture looks just like knitting. It is not worth wall space at a village art show. There has been a real rumpus."

"A lot of people are angry. This exhibition is for up-and-coming artists, not people like this who are handled by commercial galleries—the tycoons of Bond Street."

"Everybody else has to be approved by the selectors but these artists appear by invitation. We had no prior knowledge of it."

He described the council as "half-baked." About 50 people whose work had been accepted for the exhibition have been denied a place on the wall by a small fashionable clique.

"They have been crowded out. The pictures hang there in virtual purity where as elsewhere in the same show they are hanging four and five deep. This experiment has been a disaster. It will not happen next year."

He bore Mr. Blake no personal ill will. But the decision to make over a gallery to one man's

choice should have had wider discussion within the RA.

Mr. Blake described himself as "one of the realist brotherhood."

**Friends' work**

The dress, of multi-coloured silk panels, was made by his wife Jan Howard. The embroideries—of scenes from Alice in Wonderland—have been done by Ted Wilcox.

The cloth and strips of metal picture is by Richard Smith, a leading abstract painter who last year had a retrospective exhibition at the Tate Gallery.

Mr. Blake, who has included two of his own pictures in the selection, admitted that he asked "a lot of my friends" for work. The collection is uncompromisingly modern and has been insured for £85,000.

Mr. Blake says his wife, a skilled needlewoman, made the dress some years ago. It was on show "because there was a point at which craftsmanship becomes art, and this is a form of art."

He was aware of the criticism of the exhibits but the project had been properly approved.

"There is a lot of feeling here against it, but I think it is a success. I am happy in the aesthetic sense and will be more than pleased if it is liked by the public."

The gallery also includes two life-sized studies of partially naked dancers and a female nude lying face down in a pool of water.

Sir Hugh Casson, president of the Academy, said: "I think the exhibition this year is the best I can remember. It is beautifully hung and most adventurous."

It was a youthful exhibition which refuted criticism that the Academy was full "of a lot of tottering elderly gentlemen."

## RACING Unlucky New Order can win BY DARE WIGAN

THERE ARE only four runners for the Ormonde Stakes at Chester today, but there are the ingredients for an enthralling contest.

Indeed, any one of the four may win, and in going for Red Regent to score at the main expense of Zimbalon, I am conscious that I may be wide of the mark.

Neither has won over a distance in excess of 14 miles, and there must be a slight doubt whether Red Regent, who is out of a mare by Red God, a noted sire of sprinters, will stay the final furlong.

However, he ran clean away from the opposition in the closing stages of the Ladbrooke City and Suburban Handicap at Sandown on October 9, and he is able to act on this course.

Evidently Sir Michael Sobell's New Order suffered no ill-effects as a result of his participation in a driving match to the White Rose Stakes at Ascot last Saturday, for Maj. Dick Bern is pulling him out again for the Dee Stakes.

New Order, who may have been a trifle unlucky at Ascot, is a handsome half brother, by Reform, to Homerick and I am reasonably confident that he will be the good for the first invader, Rare Trail, and for Kaffie.

There is little between the last-named pair judged on their running here at the end of August and King's Bonus and Gan on Georgia are closely weighted judged on form shown at Doncaster in October. Gan on Georgia is the selection.

Easy Landing who probably came up against a useful filly in Elm at Sandown the other day, is the probable winner of the Sceptre, and so easily did Peaceful dispose of Kinglet at Kempton on Easter Monday that it is reasonable to suppose that she will confirm the placings with him, on 6lb worse terms.

**CHESTER**  
2.15—Easy Landing  
2.45—Red Regent  
3.15—The Hand  
3.45—New Order  
4.15—Gan on Georgia  
4.45—Peaceful

**SALISBURY**  
2.00—Barnes Pink  
4.00—Just Jolly  
4.30—Bitham

Park, who had his limitations exposed by Ribbohy and Take Your Place at Sandown. The Ladbrooke Sporting Club Handicap is a tricky affair, though one who seems sure to go well in it is The Hand, who

was edged out of the valuable Glenlivet Handicap at Newmarket last week by Fighting Lady and who meets E. Collingwood's filly on better terms here.

Gan on Georgia, successful in the Ladbrooke Sporting Club Handicap 12 months ago, is one of only three runners for the Oulton Handicap. The others are King's Bonus and Will's Star, each of whom has also won over the course.

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## Redemption Notice Hamersley Iron Finance N.V. 10% Guaranteed Debentures Due 1982 Unconditionally Guaranteed as to Principal and Interest by HAMERSLEY HOLDINGS LIMITED

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Indenture dated as of June 1, 1975 under which the above-mentioned Debentures are issued, Citibank, N.A. (formerly First National City Bank), as Trustee, has selected for redemption on June 1, 1976 (the "Redemption Date") at the principal amount thereof (the "Redemption Price"), through the operation of the Sinking Fund provided for in the said Indenture, \$1,400,000 principal amount of Debentures of the said issue of the following distinctive numbers:

COUPON DEBENTURES OF \$1,000 PRINCIPAL AMOUNT OUTSTANDING	
2139 1780 3785 5655 7722 8821 12002 14079 16390 18476 20322 22728 24998 26937 29118 31177 33124 35071 36918 38765 40612 42459 44306 46153 47999 49846 51693 53540 55387 57234 59081 60928 62775 64622 66469 68316 70163 72010 73857 75704 77551 79398 81245 83092 84939 86786 88633 90480 92327 94174 96021 97868 99715 101562 103409 105256 107103 108950 110797 112644 114491 116338 118185 120032 121879 123726 125573 127420 129267 131114 132961 134808 136655 138502 140349 142196 144043 145890 147737 149584 151431 153278 155125 156972 158819 160666 162513 164360 166207 168054 169901 171748 173595 175442 177289 179136 180983 182830 184677 186524 188371 190218 192065 193912 195759 197606 199453 201300 203147 204994 206841 208688 210535 212382 214229 216076 217923 219770 221617 223464 225311 227158 229005 230852 232699 234546 236393 238240 240087 241934 243781 245628 247475 249322 251169 253016 254863 256710 258557 260404 262251 264098 265945 267792 269639 271486 273333 275180 277027 278874 280721 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## WORLD TRADE NEWS

## CROSLAND IN PEKING

## China gives reassurance on trade

BY CHARLES SMITH, FAR EAST EDITOR

CHINA'S FOREIGN policy will not be affected by recent changes in its top leadership and the same applies to its overseas trade policy. These assurances are understood to have been given to the Foreign Secretary, Mr. Anthony Crosland, today by China's Foreign Minister, Mr. Chiao Kuan-hua and by the Minister of Foreign Trade, Mr. Li Chiang, in answer to specific queries about the overseas impact of internal political changes.

Both men are believed to have stressed the basic policies governing trade and foreign relations could not be changed by individuals and would continue to be determined by principles laid down by Chairman Mao. Mr. Li, however, gave a qualification to his reply which could prove significant. He said that although there would be no individually inspired changes in trade policy the pattern of China's external trade would alter as its economy developed.

China was now making for itself things which it used to buy from abroad, such as cigarettes and matches, Mr. Li is understood to have said. As time went on it would become self-sufficient in other products which it was currently obliged to import. Mr. Crosland also seems to have been reminded that trade was marginal to China's economy although there would always be some things which it would need to buy from the outside world.

Mr. Li's statements were evidently designed to kill speculation that China might be on the verge of an abrupt change in its foreign trade policies following last month's dismissal and disgrace of former Vice Premier Teng Hsiao-ping. It still seems possible, however, that developments in China's overseas economic relations that might have occurred if Mr. Teng had stayed on will now not occur, or will be significantly delayed.

China's oil-steel barter deal with Japan, which seemed to be almost signed and sealed early this year, has now been put off indefinitely and normal purchases of steel from Japan are running below the level of a year ago.

Trade between the U.K. and China was balanced at about £15m. in each direction in the first quarter of this year. This means that British exports to China are running slightly below 1975 levels while China's exports to Britain are about level.

Mr. Li appears to have given non-committal answers to Mr. Crosland on a number of bilateral trade questions raised this morning, including an invitation for him or his deputy to visit Britain. Nevertheless the talks these days. A National Trade Centre is being set up in London, this autumn, by the British Overseas Trade Board. A National Trade Centre is being set up in London, this autumn, by the British Overseas Trade Board.

PEKING, May 5. The Chinese evidently made no firm commitment about future trade missions during talks with Mr. Crosland. But a visit to London, this autumn, by a mission concerned with oil exploration technology remains a probability, although Mr. Li apparently pointed out that China is producing some of its own oil processing equipment. A National Trade Centre is being set up in London, this autumn, by the British Overseas Trade Board. A National Trade Centre is being set up in London, this autumn, by the British Overseas Trade Board.

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## THE COLGATE-PALMOLIVE REPORT

## "1975 was Colgate's fifteenth consecutive year of record sales and earnings."

FROM REMARKS BY DAVID R. FOSTER, CHAIRMAN AND CHIEF EXECUTIVE, ANNUAL SHAREHOLDERS MEETING, APRIL 28, 1976.



Colgate's steady growth has resulted from marketing successes and consumer-product innovations in its traditional businesses, as well as from expansion in recent years into such new business areas as health-care and hospital products, cosmetics and sports equipment.

Many people know Colgate-Palmolive as a marketer with strong, long-established franchises in such household products as powdered and liquid detergents, and such personal-care products as toilet soap and dentifrices.

Many people are also aware that Colgate is a leading international company, operating in 59 countries.

However, there is much more to Colgate.

In the last several years, Colgate has added many products to its roster of respected brand-names, including Curly and Curad.

The prestigious Helena Rubinstein products have made Colgate an international force in the cosmetics industry.

Colgate is also an important supplier of tennis, golf and other sports equipment with well-known brands in the United States, the United Kingdom and Australia.

For the future there will be still more to Colgate.

4.2% as compared with 4.0% a year ago and 3.3% in 1970.

The longest period of sustained growth in Colgate's history, when sales and earnings improved each successive year, dates from 1960. However, in the last several years, since 1970, sales and earnings have increased at the accelerated rates of 13% and 17%, respectively.

The regular common stock dividend rate was raised 12% in October 1975, to 19 cents from 17 cents per share. Common stock dividends have been paid at a higher rate for thirteen successive years.

## First Quarter Results

Results for the first quarter of 1976 continued the encouraging trends of the previous year.

Sales rose to \$741 million, compared with \$672 million for the first quarter of 1975. This is an increase of 10%.

Earnings rose 14% to \$25 million, compared with \$22 million a year ago. Per share earnings increased to 36 cents from 32 cents last year.

## The Future

Colgate's future, like its past will be built on the strength of its worldwide marketing efforts for established and newly-developed products, on new marketing initiatives and expansion into new consumer areas.

## Colgate's Performance

Despite the adverse effects of a depressed economy and continued inflation in the United States, Colgate's 1975 earnings rose 14%. Worldwide sales advanced 9%.

Efforts to increase profitability continued to show progress in 1975. Earnings as a percentage of sales rose to

FINANCIAL HIGHLIGHTS			
Dollars in Thousands Except Per Share Figures			
	1975	1974	
Sales	\$2,860,491	\$2,615,448	
Net Income From Operations	\$ 118,960	\$ 104,160	
Net Income Per Common Share	\$ 1.73	\$ 1.52	
Dividends Paid Per Common Share	\$ .70	\$ .60	

Colgate-Palmolive Company

300 PARK AVENUE NEW YORK, N.Y. 10022

## Geisel in steel and rail talks

By Hugh O'Shaughnessy

TALKS on how Britain can help Brazil develop its steel-making and railway industries are going well. Brazil is shortly to send a mission to visit the British National Oil Corporation and explore ways of employing British offshore technology in the Brazilian search for oil. This was announced yesterday from Downing Street following a luncheon and a two-hour meeting between General Ernesto Geisel, the Brazilian President, and Mr. James Callaghan and their respective advisers.

It is still not clear how far firm commitments will be entered into by both sides on these issues before General Geisel leaves tomorrow. According to German industrial sources no firm orders for the large new Acominas steel plant will be signed for two years. What the President did make plain was that British investment was more than welcome in Brazil.

To-morrow, Sir Richard Marsh, Chairman of British Rail, whose Transmark subsidiary is seeking major contracts in Brazil, is joining Lord Nelson of Stafford, Chairman of GEC, in making a presentation to leading members of General Geisel's party.

Banking sources in London expect news shortly about the financing of the multi-billion dollar Itaipu hydro-electric scheme being constructed jointly by the Brazilians and the Paraguayans on the Parana River.

The scheme, one of the largest civil engineering jobs in the world, is now priced at \$6.5bn. It is foreseen that a consortium of British and Western European companies will borrow up to \$500m. before the end of the year for the project. This loan may well be followed within 12 months from now by a Soviet borrowing of up to \$300m.

The Soviet borrowing would be in respect of the installation costs of the turbine which it is virtually certain the Soviet Union would provide. The turbines are priced at about \$500m. and will be sold under a credit agreement allowing the Brazilians to pay over 14 years with a six-year grace period at an interest rate of 4 1/2 per cent. The Brazilians are keen that the purchase of the turbines should be offset by greatly increased Soviet purchases of coffee and manufactured goods.

## U.S. car sales advance 38%

By Jay Palmer

NEW YORK, May 5.

CONTINUING THE U.S. motor industry's strong seven-month-old recovery, sales of new cars during April jumped about 38 per cent. above the dismally depressed levels of 12 months ago. As has been the case in every month since last autumn, the very strong gains in sales of domestically-made vehicles contrasts with the slump in sales of imports.

During last month, U.S. dealers sold 768,000 American-made cars, a 52 per cent. rise on the 515,000 delivered a year ago. While exact figures are not yet available for imports, Detroit executives and industry analysts suggest that their sales slumped 15 per cent. to an estimated 120,000 vehicles.

The continuing weakness of foreign car imports, which has cut their share of the total U.S. market from over 20 per cent. 12 months ago to no more than 13 per cent. now, reflects a sharp swing in U.S. car buying patterns away from smaller more economical cars back to the traditional large ones.

By far the strongest individual performance during April was turned in by Chrysler, which managed to boost its sales from 64,000 vehicles to 126,000, a gain of 96 per cent. General Motors lifted its monthly sales by 50 per cent. and Ford posted a 35 per cent. jump.

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## Liberian Shipping fights boycott

BY JOHN WYLES, SHIPPING CORRESPONDENT

THE LIBERIAN Shipping Council has threatened to use "all legal, diplomatic and other resources" to fight a boycott of flags of convenience ships started last Saturday by Scandinavian unions belonging to the International Transport Workers Federation.

ITF affiliated unions in Sweden and Finland have been intermittently boycotting flags of convenience ships for some time in support of demands that owners agree pay rates and working conditions in line with ITF minimum current efforts by maritime nations to guarantee that rate.

ing of ships in port was tightened up from May 1 and extended to Norway and Denmark. In its attack on ITF policy, the New York-based Liberian Shipping Council claimed that the action was "irresponsible, blatantly discriminatory, and totally against the interests of international commerce."

Arguing that the boycott was being applied without reference to actual conditions on board that individual ships, the Council warned that the ITF was undermining current efforts by maritime nations to guarantee that rate.

## Britain launches export year

BY LORNE BARLING

A BRITISH exports year was launched yesterday by Sir Frederick Catherwood, chairman of the British Overseas Trade Board, with the warning that the only immediate solution to the country's economic problems was to sell more abroad.

He pointed out that export markets were expected to expand much sooner and faster than the home market, until external trade was balanced and dependence upon borrowed money ceased.

"The home market can only get going again when we can finance our expansion, which we will not be able to do until we have covered our deficit by higher exports," he said.

Sir Frederick stressed that everyone involved in industry, both companies and workers, should realise that it was in their own interests, apart from the country's, to improve export performance.

"We will not be able to keep even the new level of social services after the present expenditure cuts, without export-led expansion," he added.

The Government cuts of £2.5bn. were negative actions, he said.

In a later speech, also at the launch in West London, he made it clear that the drive had the support of Lord Briginshaw and Mr. Jack Jones, both members of the trade Board. He also believed there was strong support from the shop floor and

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OVERSEAS NEWS

Thursday May 6, The Financial Times Thursday May 6 1976

Peres warns of tough decade for Israel

TEL AVIV, May 5. DEFENCE MINISTER Shimon Peres today said Israel faced a tough decade during which it must remain armed and alert while striving for peace with its Arab neighbours.

In an Independence Day interview broadcast by the Israeli Army radio station, he said Israel should aim at maximum economic and political independence and avoid becoming a "modern Sparta" with self emphasis on military matters.

Israel, he said, should be assured of full equality, and those living under Israeli occupation on the West Bank of the Jordan should be encouraged to run their own affairs to the maximum within the maintenance of law and order by Israeli forces, Mr. Peres declared.

Freedom of movement and expression should be maintained, and Jewish settlement in the occupied area should only be by express Government permission, the Defence Minister said.

Security forces went on special alert today against Arab acts of sabotage, as Israel's fledgling celebrates the 26th anniversary of independence.

New economic order proposed

BY REGINALD DALE NAIROBI, May 5.

DR. KURT WALDHEIM, the United Nations secretary-general, today put forward a four-point plan for restructuring the world economy to help reduce the gap between rich and poor nations. Renewed expansion in the industrialised world could not be relied on to lift the developing nations out of their present alarming predicament, he warned.

Dr. Waldheim's speech at the opening session here of the fourth United Nations Conference on Trade and Development (UNCTAD IV), was delayed for over an hour as delegates from Bulgaria, Cuba, Mexico, Algeria and Vietnam attacked the Chilean delegation, which had presided over the first few minutes of the meeting. But a major political row was averted.

The U.N. secretary-general said that traditional development policies were no longer sufficient. The new objectives should be to help developing countries to increase significantly their share of industrial production by the end of the century, reach self-sufficiency in food production "within reasonable periods of time," develop their own science and technology, and make serious progress in the eradication of mass poverty and unemployment.

The creation of a new international economic order meant more than expansion and growth, more than a better control over cyclical fluctuations and more than the policies traditionally discussed at Unctad meetings, Dr. Waldheim said. Many of the issues on the Nairobi agenda had been under negotiation for 12 years, he pointed out.

Dr. Waldheim said that new kinds of trade agreement might be needed if new productive capacities were to find outlets in the expanding markets of developing countries, not only for light consumer goods but also for capital equipment and heavy manufactures. Regional or inter-regional preferential agreements between developing countries, on terms less stringent than under the present rules, might have to be considered.

With most countries here anxious to get to grips with major aid trade and development issues, the attack on Chile came to an end after a series of formal protests. Chile presided the last Unctad meeting in Santiago four years ago when the Allende regime was still in office.

Today, both Bulgaria and Cuba attacked the "brutal fascist regime" now in power, and the Chilean delegate Senor Abelardo Silva was castigated as the representative of an undemocratic military junta. Algeria also made it clear that it objected to the presence of Israel at the talks, but made no formal move to have the Israelis expelled.

Rumours have been flying in the wings of the UNCTAD Conference after President Kenyatta's refusal to deliver the inaugural speech. Reginald Dale reports from Nairobi.



President Jomo Kenyatta: In unpredictable mood.

International eccentricities

misunderstanding another reads "I want to go to bed (sleep)." But it perhaps augurs well for the Conference that "progress" is listed as an everyday word, and the street outside is called Harambee ("Let's all pull together").

With the talks lasting four weeks, one of the main concerns of most delegates is to organise a few week-end safaris. But not all of them, even among the "rich" countries, can muster the same resources. The British delegation last night was wondering whether they could afford to hire a small car if they all clubbed together. The Germans have already chartered two aeroplanes.

On the fringe of the talks, by far the most active lobby is composed of the Non-Governmental Organisations (NGOS), who have more than 100 representatives here from 25 countries both rich and poor. The NGOs aim to pressurise industrialised country delegations into making genuine efforts to promote development. Some of them have direct telex lines back home so that they can have helpfully provided a short Swahili glossary, which at first sight makes alarming reading. Key phrases include "I am lost" and "Call a policeman." Clearly up to scratch.

Fortunately, it is not the height of the tourist season. To accommodate the 2,000-odd delegates (not to mention observers, NGOS, back-up staff, etc.) the Government has requisitioned all the major hotels in Nairobi and taken over the main car-hire firms. Even the exclusive colonial-style country clubs on the edge of town have been invaded by journalists and officials. The clubs provide a rare glimpse of what life must have been like here in the heyday of the empire.

At the Muthaiga Country Club whites with loud English voices still order their drinks on mess chairs from discreet Black stewards. The club rules stipulate that pipes may not be smoked in the dining room, gentlemen will wear jackets and tie after 7.45 p.m. and briefcases may not be brought into the public rooms. Part of the club, including one of the bars, is reserved for men only, and children are frowned on. Recreations include swimming, squash, tennis, billiards and bridge.

Some people say that if only the White Rhodesians could see the sort of life that their kith and kin are still leading here over 12 years after independence, they might feel rather less alarmed at the thought of Black majority rule.

'Peking falling behind' - Muldoon

BY OUR OWN CORRESPONDENT HONG KONG, May 5.

PRIME MINISTER Robert Muldoon of New Zealand, just back from China after an eight-day trip, today made comments that his hosts would regard as rather satirical, especially that he does not think that China will ever catch up with the world's technologically developed nations.

"My belief is that given the current situation," Mr. Muldoon told a Press conference, "there is no way that they are going to catch up." The situation Mr. Muldoon was referring to was the current political campaign against former Vice Premier Teng Hsiao-ping, with particular stress on the educational policies of China.

"They have a great clobbering machine," he said, "anyone out of the main stream gets clobbered." Mr. Muldoon said this social structure gave little weight to individual initiative.

Mr. Muldoon later clarified his views on technology to say that he believed that China had made great economic progress, particularly in feeding and clothing the vast population—but when they talk of high technology, no.

"The question is," he remarked, "are they catching up or falling further behind? My impression is they are going to fall further behind."

He added: "They've got great economic wealth, but we're talking of the electronic age. I think it will be some years yet if they want to put a man on the moon." The Chinese view is quite different. The goal to catch up with the West, specifically to become a "powerful, modern socialist nation" by the year 2000, was enunciated by the late Premier Chou En-lai at the last session of the National People's Congress.

On international relations Mr. Muldoon noted that China approves of the Annex pact (Australia, New Zealand, United States).

He quoted Chinese Premier Hua Guofeng from the minutes of their official talks that "He also hopes that the U.S. will join with Australia and New Zealand on the basis of equality to deal with the polar bear." Though Chinese news media have often indicated their mild approval of such pacts as Nato, this is perhaps the first time firm support has been made official.

The New Zealand Prime Minister repeatedly stressed the frailty of Chairman Mao Tse-tung with whom he had a brief conversation. He quoted the Chairman as saying that China would continue atmospheric nuclear testing (which New Zealand strongly opposes) but that China would hopefully conduct tests underground before too long.

Radicals gain prominence

BY COLINA MacDOUGALL

MORE EVIDENCE for the growing prominence of the so-called radical group in the Chinese leadership came yesterday. It emerged in a New China News Agency report that among the cultural events in Shanghai to celebrate May Day was a full-length play which reflected "the struggle to seize power during the revolutionary storm in January, 1967, in Shanghai."

Since the cultural revolution, the leadership has apparently preferred to forget the chaos of that "January storm," which involved strikes, demonstrations and an effort by workers to commandeer a train to Peking. Its reappearance in a favourable context suggests the increasing importance of Peking's leading radicals, who were deeply involved in it.

Mr. Wang Hung-Wen, then a textile worker but now number 3 in the party hierarchy, then played an important part in bringing down the old party and municipal structure. Mr. Chang Chun-Chiao and Mr. Yao Wen Yuan, today sixth and eighth respectively in the latest leadership listing, took charge of the city, setting up the extreme leftist Shanghai Committee. However, this innovation proved too radical even for Chairman Mao Tse-tung who swiftly ordered it to be replaced with a more conventional administration.

PLA buffer zone brings lull in Beirut fighting

BEIRUT, May 5.

THE Beirut radio station put the number of casualties in the past twenty four hours at two hundred dead or wounded.

The absence of a consensus on the successor to Mr. Franjish, the main stumbling block, observers said, and added that attempts to find a compromise candidate on whom Christians and Moslems will agree have thus far come to naught.

The Presidential race is still mainly confined to two candidates, Central Bank Governor Elias Sarkis and Deputy Raymond Edde. The right-wingers known to favour Sarkis while the Left alliance and the Palestinian commandos are backing Mr. Edde.

Informed quarters believe that the main problem lies in what political system this country should have after a new President had been elected. While Moslems and Left-wingers have repeatedly warned against partition, the Christian Right-wingers were reported by diplomatic quarters to favour a system of decentralisation where Christians and Moslems will have self rule in the areas under their respective control.

Syria's President Hafez Al-Assad will shortly be declared President of a Federation, Syria and Jordan are planning to set up the newspaper Al-Azbas today, reports Reuters from Kuwait.

There was a lull in the fighting here today after units of the Palestine Liberation Army (PLA) moved into positions in the commercial section and along the lines separating Moslem and Christian combatants in the harbour area.

New security measures were decided on Monday by a higher military committee in charge of supervising the truce but it took 24 hours to get the rival factions to agree to put them into force. The PLA now controls a "buffer zone" about 100 yards deep stretching from the former shopping Foch Street down to the waterfront. A Security Sub-committee has established itself in the Fatah building which was the focal point in the fighting on the waterfront.

Most buildings in the district have been demolished after weeks of heavy clashes and shelling. A member of the Security Sub-committee said that the area looked more like the Roman ruins of Baalbeck than the modern construction it used to be.

The Military Committee, headed by Premier Rashid Karam and comprising Lebanese Syrian and Palestinian military officers, had stepped up its efforts to check the rising tension in preparation for the Parliamentary Session scheduled on Saturday for the election of a new President to succeed Mr. Suleiman Franjish.

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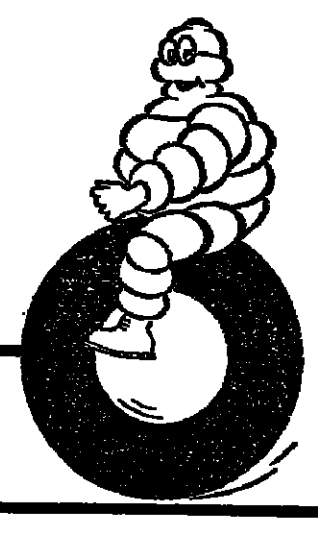
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New Items

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April, 1976



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## EUROPEAN NEWS

# French defence spending to soar

BY ROBERT MAUTHNER

PARIS, May 5

THE FRENCH Cabinet today adopted a five-year military spending programme providing for a rise of nearly 15 per cent annually in defence expenditure from 1978 onwards, three per cent more than the projected increase in the national budget.

The military budget next year will amount to Frs.58bn. (nearly £7bn.) and rise progressively to Frs.115bn. by 1982, when defence spending will be equal to about 20 per cent of the State Budget compared with 17 per cent at present.

The programme, which will be submitted to the National Assembly later this month, will be the first of this kind to be equipped with multiple warheads.

The navy will obtain another helicopter carrier which can also be used for vertical take-off aircraft and several new nuclear-powered submarines will be built over the next five years.

The total strength of the army will be slightly reduced from 330,000 to 311,000 men and will be composed of eight armoured divisions equipped with about 1,200 AMX-30 tanks, six infantry divisions, one Alpine division and one parachute division.

In the nuclear armaments field, France will keep in service its present force of Mirage IV bombers and modernise the strategic missiles based in Alsace on the Plateau d'Albion in Provence. France's sixth nuclear submarine, the "Inferno", will be the first vessel of this kind to be equipped with missiles fitted with multiple warheads.

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In a television interview to night, President Giscard d'Estaing once again categorically denied that France would ally NATO's integrated military organisation, from which it withdrew in 1966.

Reuter adds: The plans also call for 200 new aircraft, including Jaguars, and Alpha jets, the first nuclear-powered helicopter carrier in the Western Navy.

Military research spending will also be increased by 4 per cent and will include studies of the possible uses of laser rays.

# Lira's slide continues as parties map poll strategy

BY ANTHONY ROBINSON

ROME, May 5

HAVING BROKEN through the psychological resistance barrier of L900 to the dollar on Monday, the Italian currency continued on its downward path to-day.

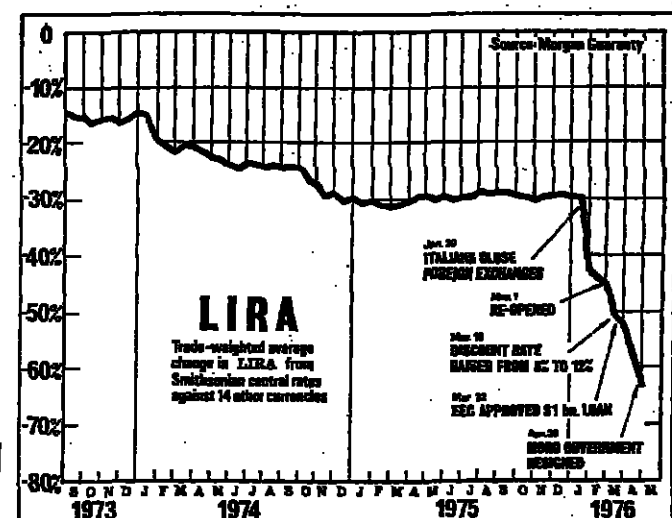
The Bank of Italy is reported to have intervened substantially to slow the lira's decline but it fell to just under L916 at the closing compared with yesterday's 912 after morning trading in the 922/926 range.

In vain economists and monetary experts point out that at these levels the currency is heavily undervalued in purely economic terms. But the sharp deterioration in the balance of payments over the first quarter, the resurgence of inflation and the drain on reserves caused by this deficit and the "elastic" lira defence policies of the Central Bank all indicate the negative effect which the decline of the lira is having on the economic situation.

Political uncertainty is the key to the problem. And this has not been helped by another assassination attempt early this morning. Two youths on a motor cycle fired several shots at Rome magistrate Paulino dell'Anno as he set off for work in his car. He received flesh wounds.

This is another example of the so-called "strategy of tension" by which politically undefined assassination attempt early this morning. Two youths on a motor cycle fired several shots at Rome magistrate Paulino dell'Anno as he set off for work in his car. He received flesh wounds.

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terrorism are attempting to raise the political and social temperature as the election campaign gets under way.

Meanwhile the political parties are hard at work preparing their election strategy and lists of candidates. At this stage all parties are earnestly wooing prominent figures in the cultural, business and other fields to stand for Parliament in these elections. The need for new faces is felt by all parties who are aware of the electorate's exasperation with seeing the same old faces in power for decades.

This is a problem most deeply felt by the Christian Democrat party whose party secretary Benigno Zaccagnini is fighting a battle to recruit new blood by retiring those parliamentarians who have served in the Chamber of Deputies for terms or at least promoting them upstairs to the Senate.

But prominent business and financial figures like ex-Governor of the Bank of Italy Guido Carli and Fiat chairman Giovanni Agnelli are also eagerly sought after as on record as declining the offer of standing for the Christian Democrats until the judicial investigation into his role during the Sindona affair is finally cleared up. Sig. Agnelli likewise has confirmed his interest in standing for election to the European Parliament in the 1978 direct elections but up to now has resisted efforts to draft him into the Italian Parliament.

Significantly however he bowed out of his two-year tenure as President of the Industrialists' Association.

## Irish industry wages plan

BY GILES MERRITT

DUBLIN, May 5

AS IRELAND'S national pay talks limp tetchily towards their conclusion, with unions and employers discussing supplementary increases to the average annual 13 per cent award in the same breath as industry's threats to invoke the "inability to pay" clause, the Confederation of Irish Industry today took a leaf from Mr. Denis Healey's book and proposed tax concessions in return for voluntary wage restraint.

The CII suggestion is contained in its latest economic review. Although with the pay talks now at a very advanced stage there seems little chance of reversing Ireland's 1976-77 wage strategy in favour of the 12 months pay pause and £40m. tax credits scheme outlined by the CII, the review warns that present policies could cost 30,000 jobs in the coming months.

Maintaining that its plan would encourage export-led

growth by reducing manufacturing labour costs by as much as 20-25 per cent in a year's time, the CII document also has some harsh comment on Finance Minister Richie Ryan's deflationary January budget. "To me bluntly," observes the report, "industry needed a pay pause to help competitiveness, but it did not need one accompanied by indirect tax increases bringing cuts in living standards which ruined the home market, led to further unemployment and quite possibly, the net deterioration in public finance."

Assessing the effects of Ireland's likely 13 per cent wage deal in the context of the new British pay agreement unveiled to-day, the CII warns there will be "a sharp loss of competitiveness against the U.K." It forecasts a "small but positive" growth in Irish output this year against which must be balanced prospects for future years that are now "much weaker."

## Trade mark shift by EEC

BY A. H. HERMANN

A SIGNIFICANT declaration in support of national trade marks came yesterday from the EEC Commission in an opinion presented before the European Court in Luxembourg.

Giving its opinion in the dispute between Terrapin of Bletchley, U.K. and Terranova a German company, the Commission declared that "the interest of the trade mark owner combined with the right of consumer not to be deceived takes precedence over the Community rules aiming at free flow of goods."

The Commission proposed that the European Court should say that the protection to which Terranova is entitled under German trade mark law is not in conflict with EEC rules.

The Commission added that the unity of the Common Market will not be achieved until there is a Community Trade Mark, valid throughout the EEC—a creation of which was proposed by the Commission last year.

The Commission has demanded earlier that there should be no barriers to inter-state trade in identically trade marked goods, as long as the trade mark has been affixed legally in a country from which the goods originate. Its retreat does not come as a surprise, and had been predicted in the Financial Times last 29 June.

However, the completeness of the Commission's volte face exceeds all expectations.

In its observations to the Court the British Government has always insisted that the ordinary meaning of the word "Article 36 of the Rome Treaty" is that a genuine defence industrial property rights can be ruled out.

# French oil industry scandal

By Rupert Cornwell

PARIS, May 5

THE DISAPPEARANCE of highly confidential Finance Ministry documents on the French oil industry, published in part in Le Monde newspaper, is the latest element in a scandal gathering around the country's oil companies as their relationship with the Government.

The document dealt with the planned merger of ELF-ERAP and Aquitaine groups, but it contained some highly illuminating passages on the difficulties which could face the French authorities in exercising proper control over a group in which the State held a controlling financial interest.

The episode led to the sacking of Le Monde's oil correspondent and the investigation of a leak. Proceedings by the Ministry for alleged theft. However, it is above all important as a potential detonator of a new controversy over the role of the oil majors here.

Already the editor of Le Monde has been forced to deny angrily suggestions that he sacked the journalist at the request of the Finance Ministry. M. Jean-Pierre Fourcade, who—these accounts claim—was turned being pressured by the oil companies. All this was an "enormous lie," he said to-day.

## Campaign

The incident is unlikely to fade away since it coincides with a strong campaign by the Left to expose the activities of what it calls "the petroleum trusts."

L'Humanité, the Communist newspaper, having long attacked the companies for operating a cartel in France by illicit price rigging and market sharing, has now turned to the even more topical question of bribery of political parties.

In recent days, L'Humanité has seized on the admission of the other big French oil company, CFP that it, like BP and Shell, had made payments to parties in Italy to allege that this practice was current in France as well.

To throw fuel on the flames L'Humanité this morning published an article by the dismissed Le Monde reporter Philippe Simonnot, purporting to show that the recent Brussels Commission report on the behaviour of the companies in the 1973-74 energy crisis, has been censored in the latter favour.

## EEC hint from Bonn

By Our Own Correspondent

BONN, May 5

WEST GERMANY would like to see the foreign ministers of its European partners equipped with "more authority" in allowed "more negotiations" when they meet in Luxembourg in 10 days time as again take up the question of direct elections to the European Parliament.

This was stated to-day by the Government spokesman, Dr. Arnulf Gruenewald, after the Cabinet had registered its disapproval over the inability of the European Council to make progress on the matter in Brussels or to forge a common line for the UNCTAD conference in Nairobi.

Dr. Gruenewald said that the ministers had "racked their brains" in an attempt to work out how they could influence the attitude of other European governments towards direct elections. He would not speak out the outcome of this process, but it is clear that Dr. Gruenewald's impromptu remark at the latest council meeting will sink in before the foreign ministers meet again in Luxembourg.



EUROPEAN NEWS

to Soa Corsica bombs claim by liberation group

By Robert Mauthier  
PARIS, May 5.

CORSICA, that perennially dissatisfied French island in the Mediterranean and the birthplace of Napoleon Bonaparte, was again the scene of violence last night when as many as 15 plastic bombs exploded in Ajaccio, Bastia, Corte and other towns.

The worst explosion occurred in Ajaccio, on the West Coast, where a paint and wallpaper shop was completely destroyed and firemen took four hours to put out the blaze. Damage has been estimated at some Fr.4m. (€600,000).

Several nationalist movements, notably the newly-created National Liberation Front, have claimed responsibility for the blasts. For the moment, however, it is difficult to establish whether the various groups were acting in concert.

The most plausible theory at work of a more extreme separatist movement than the ARC.

Wallonia recovery lags

BY DAVID CURRY  
BRUSSELS, May 5.

THE ECONOMIC recovery in Belgium looks set to highlight the sharp differences in prosperity between the French-speaking area of Wallonia and the Dutch-speaking Flanders.

In the first three months of this year, Wallonia attracted State-aid investment to the tune of some B.Fr.7.5bn.—already some two-thirds of the way to the same period saw investment projects worth some B.Fr.25bn. recovery.

It is also becoming apparent that unemployment in Wallonia is falling more rapidly in the Brussels region than in Wallonia, where there is a crisis.

Holland announces VAD details

BY MICHAEL VAN OS  
AMSTERDAM, May 5.

THE DUTCH Government has announced the main details of its controversial system of growth sharing (VAD), and a draft bill will be submitted to Parliament shortly.

The Ministry of Social Affairs said in The Hague that the draft Bill, once it becomes law, would be backdated to 1975. The of 18 per cent in 1979.

U.K. ECONOMIC INDICATORS

	Unit	1976			1975		
		Apr.	Mar.	Feb.	Apr.	Mar.	Feb.
General Unemployed	'000s	1,281.1	1,284.3	1,304.4	899.7	768.4	768.4
Unfilled vacs.	'000s	119.7	109.0	99.5	173.4	178.0	178.0
Currency res.	£bn.	4.845	5.905	7.024	7.132	7.117	7.117
Bank advs. b	£bn.	14,080	14,217	14,488	n.a.	n.a.	n.a.
Basic materials	1970=100	272.2	263.4	261.0	221.9	218.5	218.5
Manif. prod. d	1970=100	298.4	297.3	294.3	179.0	175.9	175.9
Terms of trade	1970=100	81.4	81.3	81.0	78.1	78.0	78.0
Retail prices	Jan. 74=100	150.6	149.5	147.9	124.3	121.9	121.9
Wage rates	July 72=100	206.5	205.1	200.8	161.1	158.9	158.9
Trade and Industry	'000s	Apr.	Mar.	Jan.	Apr.	Mar.	Jan.
Cars*	'000s	104p	121	114	114	115	115
Comm. vehicles*	'000s	28.1p	32.5	31.1	33.3	29.2	29.2
Imports f.o.b.	£bn.	Mar.	Feb.	Jan.	Mar.	Mar.	Mar.
Visible trade balance	£bn.	1,326	2,005	1,561	1,487	1,768	1,768
Steel (weekly average)	'000 tonnes	1,907	1,759	1,814	1,568	1,530	1,530
Bricks*	millions	-0.019	-0.246	-0.145	-0.119	-0.233	-0.233
Cement (weekly average)	'000 tonnes	453.6	450.1	432	492.7	484.2	484.2
TV sets†	'000s	493	424	451.5	386	397	397
Radio, radio-gramm†	'000s	Feb.	Jan.	Feb.	Feb.	Feb.	Feb.
Man-made fibres*	m. kgs.	282	257	270	312	296	296
Houses cmpld.†	'000s	172	176	174	234	248	248
Petroleum†	m. tonnes	414	443	428.5	301	353	353
Furniture**	1970=100	52.32	52.33	52.8	42.6	42.29	42.29
Hosiery**	1970=100	23.2	23.9	23.5	22.1	22.2	22.2
Elec. cookers†	'000s	7.414	7.133	7.27	7.23	7.78	7.78
Washing machs.†	'000s	1976	1975	1975	1974	1974	1974
Engng. (orders on hand)**	1970=100	97	99	111.3	125	126	126
Raw cotton	'000 metric tonnes	Dec.	Nov.	Dec.	Dec.	Dec.	Dec.
Raw wool	m. kilos	1.70	2.32	2.09	1.91	2.26	2.26
Machine tool†	£m.	9.3	8.7	9.2	7.7	9.1	9.1
Consumer spending	£bn.	27.5	26.4	25	20.9	20.9	20.9
Motor trade turnover	1972=100	1st qtr.	4th qtr.	1st qtr.	Year	Year	Year
Bldg. and civil engineering†	£bn.	153	151	144.5	121	119	119
Motor trade turnover	1972=100	2,558g	3,086	12,017	2,556	10,220	10,220

German output down 2.5%

By Nicholas Colchester  
BONN, May 5.

THE LATEST West German economic data depict a rather slow recovery in the country's economy. Unemployment in April was down from 5.2 per cent in March to 4.5 per cent, but this fall was little more than the seasonal norm.

Industrial orders in March were up by 2 per cent over their level in January and February, but export orders showed a clear decline. Industrial production on a daily basis was down 2.5 per cent from that of the previous month.

The Secretary of State in the Economics Ministry, Herr Otto Scheuch, today told the Cabinet that the improvement in the economy was "not stormy but solid".

The best features of today's labour statistics are the 29 per cent reduction in the number of people on "short time work" to 355,500, and the 14 per cent reduction in the number of unemployed under 20 years old to 96,000 or 4.3 per cent.

Judged by the latest order statistics, the growth in the German economy is coming steadily from internal demand. Export demand has been generated over the first quarter while still lying well over average demand in the fourth quarter of the previous year.

The order breakdown shows that March brought an encouraging upturn in home orders for investment goods. Consumer demand both at home and abroad remained static in March but still well above the January level and that of the last quarter of 1975.

POPULATION EXPLOSION IN IRELAND

An historic pattern changed

BY GILES MERRITT, DUBLIN CORRESPONDENT

DOWN IN Killarney, this past week-end Irish industrialists, trade unionists and politicians have been worrying about the economy. The occasion was the annual get-together, and this year the theme was "recovery."

Recovery, it seemed, meant how Ireland could best catch the freshening international trade winds of 1976 and escape the economic doldrums. The problem, as most people in Ireland like to see it, including the Government, is getting back to the good old days of the 1960s when foreign investment and the economy boomed.

At Killarney, as in all Ireland for the past 12 months, no one seemed willing to spell out the simple message which the Republic's economic backroom boys are trying to drive home—that the good old days are gone, and gone for good.

The problem is population, and therefore jobs. Ireland's population has exploded, is exploding and, now that emigration no longer means that one person in four goes abroad, will continue to explode. There are at present just over 3m. people in the Republic, in ten years there may be verging on 3.8m., and by the turn of the century, assuming no turnaround in Ireland's staunch Roman Catholicism and no unforeseen migrations, almost 4.3m. But the country has still apparently to wake up to the implications.

Short-term economic policy-making at the moment is focused on the coming year. The Dublin Government failed to persuade the unions that a pay pause was vital during 1976, if continuing high inflation of around 13-15 per cent was not to sap export competitiveness. But the experts who have been studying the population problem and its implications feel that industry and Government should devote far more attention to the next 10 years, so huge is the population problem going to be.

By 1986 there will need to be 340,000 more jobs than today if unemployment is to be at an acceptable level of 4 per cent. That assumes no emigration; if just a trickle of 5,000 people leave yearly the figure would still be a daunting 300,000. On top of that, the closure of antiquated and inefficient industries and the steady flow of labour from farming areas to the cities means that as many as 100,000 more jobs will cease to exist. In all, to cater for a future workforce already born, Ireland must find about 420,000 new jobs by 1986.

The Republic's present non-farming working population of 800,000 will have expanded by some 37 per cent. These figures also assume that married women in Ireland will continue not wanting to work—only 7.5 per cent do so, against 40 per cent in some EEC countries—although the number of (presumably more liberated) married women under 30 will double during the decade.

Jobs, as anyone with even a hazy notion of Irish history will know, are hard to come by, year in spite of 600 new foreign



Dr. Garret Fitzgerald (right); pushing for reforms.

the present 215,000, the IDA must therefore create more than 10,000 extra manufacturing jobs a year—four times its previous best. That seemingly unattainable figure is, however, only a third of the overall need for 30,000 new jobs a year. The hope is that the remaining two-thirds will follow on in services, construction, and the public sector, and that mining and offshore oil will help too.

The IDA is well aware of the size of the problem and hopes to write £400m. from the Government for the five years up to 1981 so that it can raise its annual jobs target from an unattained 7,500 to 10,000. But cash is not the answer. Jobs cannot be created in a vacuum and there are few signs that the Finance Ministry has so far grasped the point.

The figures setting out the prospects for population and jobs were prepared over a year ago by Professor Brendan Walsh for the National Economic and Social Council (NESC) which advises the Government through the Finance Ministry. Startling and unexpected as his findings were, they caused relatively little stir at the time and almost none since. The IDA in the meantime accepts his figures without reservation, but the Government has still to comment. A report setting out reactions and strategic thinking is expected towards the end of this year, while no one can confirm that the Irish five-year plan under study incorporates the Walsh findings.

How to settle that long-standing argument with your production manager



The chances are you're waging a friendly and reluctant battle with your production manager, who wants—as always—a larger slice of your budget for new plant and machinery, more maintenance and improved conditions.

But with cash-flow problems the way they are, it may be a battle that neither of you can really win.

How can we help?

The answer may be a medium term loan from Midland Bank Group.

We're ready to lend almost any reasonable amount for any reasonable business purpose to credit-worthy customers. You can pay over seven years—sometimes even longer. If you are not already banking with the Midland we may still be able to help.

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Best of all, once arranged, and provided you meet the

terms of the agreement, your loan will not be called in. So you can plan with confidence.

But medium term loans are just one of the many financial services that Midland Bank Group offers you to help make business more profitable.

Your local Midland Bank branch manager can also arrange instalment finance, leasing, factoring and a number of export and international services, including export finance in sterling and other currencies and the discounting of bills. He can arrange, too, merchant banking facilities which include the raising of long-term and share capital, and finance for growing companies.

A whole range of services, in fact, and all available in the simple way you're used to—through your local bank. Call in soon at any of 3,000 Midland Bank Group branches and talk to the manager. He can quickly put you in touch with the appropriate Group companies.

Finance for business  
Midland Bank Group

Principal trading companies include: Midland Bank Limited, Clydesdale Bank Limited, Clydesdale Bank Finance Corporation Limited, Northern Bank Limited, Midland Bank Trust Company Limited, Forward Trust Limited, Midland Montagu Leasing Limited, Griffin Factors Limited, Midland Bank Insurance Services Limited, The Thomas Cook Group Limited, Samuel Montagu & Co. Limited (Incorporating Drayton), Drayton Montagu Portfolio Management Limited, Northern Bank Finance Corporation Limited, Midland Montagu Industrial Finance Limited, Bland Payne Holdings Limited, London American Finance Corporation Limited.



## AMERICAN NEWS

## U.S. PRIMARIES: THE RACE FOR DELEGATES

Republican Delegates		Democratic Delegates	
Committed		Committed	
GERALD FORD		JIMMY CARTER	
372		580	
RONALD REAGAN		HENRY JACKSON	
381		232	
UNCOMMITTED	328	MAURICE UDALL	
		184	
		GEORGE WALLACE	
		122	
		OTHERS	
		227	
		UNCOMMITTED	427
Total needed to win 1,130		Total needed to win 1,505	
Total delegates at convention 2,259		Total delegates at convention 3,009	
Republican primaries to come		Democratic primaries to come	
May 6 Tennessee	43	May 6 Tennessee	46
May 11 Nebraska	25	May 11 Nebraska	23
May 18 West Virginia	28	May 18 West Virginia	23
May 18 Maryland	43	May 18 Maryland	53
May 23 Arkansas	44	May 23 Michigan	133
Nevada	21	May 23 Arkansas	26
Idaho	18	Nevada	11
Oregon	30	Idaho	16
Kentucky	37	Oregon	34
June 1 Montana	19	Kentucky	46
Rhode Island	20	June 1 Montana	17
South Dakota	20	Rhode Island	22
June 8 California	187	June 8 South Dakota	17
Ohio	97	June 8 California	280
New Jersey	67	Ohio	152
		New Jersey	152
			(QF) 333 (108)

COUNT so far based on primaries in 13 states, plus the District of Columbia, and completed or partial caucus returns in 13 other states and three territories (Puerto Rico, Canal Zone and Virgin Islands). Still to come: 16 primaries and caucuses selection in eight more states.

## The Republican riddle

BY JUREK MARTIN, U.S. EDITOR

WASHINGTON, May 5.

IN THE AUTUMN of 1973, when Mr. Spiro Agnew resigned from the Vice-Presidency in disgrace, the Democrats who controlled Congress were faced with as much of a dilemma as President Nixon. They knew that whoever was nominated to succeed Mr. Agnew stood a good chance of inheriting the White House before Mr. Nixon's second term expired, and would undoubtedly be tempted to running for the Presidency, as incumbent, in 1976. Therefore, as well as approving a man whose record was spotless, they wanted Mr. Nixon to send to the Senate for ratification a man whom they thought they could beat. When Mr. Gerald Ford's name was advanced, the opposition to it was token.

That political foresight is looking good to-day. President Ford, in spite of the advantages of incumbency and in the face of an economic recovery for which he is very properly being accorded much credit, is now not even assured of the nomination of his own Republican Party. Even if he gets it after a fight at the national convention in Kansas City in August, it may be at the price of having to split the party as to have irrevocably damaged his prospects in November against almost certainly Mr. Jimmy Carter. If Mr. Ronald Reagan wins the nomination, then every Democrat in the land will rub his hands with glee in anticipation of another Goldwater debacle. At least, if it is more possible, the disaffected moderate wing of the party manages to throw up a successful third candidate, then the task confronting him of forging party unity at such a late stage in the game will be immense.

This is a deadly serious problem for the Republicans, because they are in the minority, and because the Democrats, hopelessly divided a few short weeks ago, are rapidly coalescing behind their new superstar from the State of Georgia. With the interminable Republican struggle between the President and Mr. Reagan increasingly being conducted along Right-wing lines, the vast acreage in the centre is in the process of falling by default into the hands of the opposition.

What has Mr. Reagan done right and Mr. Ford wrong? The former Californian Governor, like Mr. Carter, has tapped the anti-Washington sentiment on the part of Whites in the schoolroom. And he has opened a foreign policy hornets' nest by vigorously espousing American jingoism—that Dr. Kissinger is too soft with the Russians, is prepared to sanction the massacre of Whites in southern Africa, is willing to give up the Panama Canal and, in general, accommodates the rest of the world to such an extent that the United States is being pushed around and is no longer unilaterally granted a superior status.

All this, of course, is standard conservative rhetoric. Mr. Reagan clearly has received assistance from the collapse of Mr. George Wallace's candidacy on the Democratic Right, but there is nothing that he has said that was not predictable and, therefore, open to counter. Yet now he is showing signs of breaking out of his natural conservative constituency south of the Mason-Dixon line by winning the Indiana primary.

The weakness of Mr. Ford's responses may lie in his fundamental problem that was largely forgotten when he was beating Mr. Reagan, though rarely conclusively, in the early primaries and while the Democrats were in apparent disarray. He is an unelected President who would never be where he is to-day but for the accident of Watergate. But, as chief executive, he ought

to be attracting the best and brightest of Republican talent to advise him on the campaign trail.

That advice has been poor. It has appeared that whenever Mr. Reagan has pulled a string Mr. Ford has jerked, invariably to the right. The President has also begun to personalise the debate in terms which bode ill for Republican unity. In Texas there were open aspersions on Mr. Reagan's competence; now the two sides are in a slanging match over the probability of each other's campaign financing.

Mr. Ford's problem is whether to change tack. He could probably fight Mr. Reagan to a stand-off in the primaries that he ahead and bank on the greater support he has among uncommitted delegates to give him the



edge. But six of the remaining primaries allow cross-over voting, with Democrats eligible to vote in conservative primaries.

Meanwhile the John Connallys and Nelson Rockefeller of the Party are sitting in the wings but are now not so apparently powerless as they were. Vice President Rockefeller, for example, controls 151 uncommitted New York delegates, no small leverage in a tight race. Most of the uncommitted delegates had been thought to be Mr. Ford's, but that assumption may now be in doubt.

There may be no love lost between Mr. Rockefeller and Mr. Reagan, but the Vice-President has greatly resented his treatment from the Ford campaign. He may yet decide to forge a brokered convention to his own ends, whatever they may be.

Mr. Ford could start "playing President" again, more aloof from the race, doing his job, selling his economic policies. But it is a tactic that will look rather transparent now and it will leave him consorting with Dr. Henry Kissinger, whom Mr. Reagan has turned, in Republican eyes, into a malevolent influence on American government. Even in the Oval Office Mr. Ford may find himself jumping to Mr. Reagan's bidding, perhaps even invalidating whatever undertakings the Secretary of State has made on his current African tour. Mr. Ford, in other words, is in the lurch. Mr. Reagan is alive and well and flourishing in the clearer air of the South and West, and the Democrats can hardly believe their good fortune.

## OTHER AMERICAN NEWS

## Lockheed consultancy disclosure

By Jay Palmer

NEW YORK, May 5. LOCKHEED Aircraft has disclosed that it agreed to pay its two former top executives, who resigned last February during the height of the company's bribery scandal, at least \$750,000 each over the next 10 years to act as consultants.

This disclosure, made in the filing of a company's annual financial statement to the Securities and Exchange Commission, seems certain to spark off a fresh controversy.

Both Mr. Daniel Haughton and Mr. Carl Ketchikan, who respectively were formally chairman and vice-chairman of Lockheed, were blamed for the company's illicit overseas payments to foreign government officials. These payments, which totalled \$22m. over some six years, hit the company's sales and forced Lockheed's bankers to push for new senior management.

At the time of the top-level management change Lockheed announced that both Mr. Haughton and Mr. Ketchikan would be retained as consultants. However, it was thought that both would be acting in an informal unpaid capacity.

## Johnson allowed FBI to continue Luther King investigation

WASHINGTON, May 5. A memorandum detailing facts on which it based the allegation, the Committee said that Mr. Kennedy told Mr. Courtney Evans, the FBI's liaison with the Justice Department, that he would face impeachment by Congress if the FBI report was leaked to the Press. The committee speculated that the Attorney-General feared a leak of the FBI's allegations concerning Communist influence over Dr. King "would be particularly embarrassing in the light of the Administration's recent statements in support of Dr. King."

It said that the Johnson Administration's willingness to permit the FBI's investigation of Dr. King "also appears to have involved political considerations." Mr. Bill Moyers, President Johnson's assistant, told the Committee that Mr. Johnson permitted the FBI investigation, although he was satisfied that the agency's allegations about Dr. King were ill-founded.

## Agreement on Belize 'possible'

GUATEMALA CITY, May 4.

GUATEMALAN Foreign Minister Adolfo Molina Brantes said here to-day that an agreement was possible on the disputed British colony of Belize. "There are possibilities of an accord, although fundamental differences still persist," he said in a brief statement.

During the latest round of regular talks between Guatemala, Britain and the self-governing colony last week, Britain had made specific proposals on Belize's future security and foreign policy, Mr. Molina said.

The Caribbean colony of 130,000 people has been self-governing since 1964, with Britain remaining responsible for its defence and foreign affairs.

## Coleman pushes for reform of air rules

WASHINGTON, May 5. Transportation Secretary, William Coleman, is pushing for airline regulation reform, told the House Public Works Committee sub-committee on aviation that only twice in the past 18 years has the industry's return on investment exceeded 10 per cent.

The average return has been less than 6 per cent, according to Mr. Coleman, and although revenues during the same period have climbed from \$2.3bn. to more than \$15bn. annually, profits have not kept pace. Mr. Coleman blamed the structure of the Civil Aeronautics Board for preventing airline management from adjusting to market conditions.

## Offer rejected

Petro-Canada, the state oil company, has rejected an offer to invest in the Beaufort Sea offshore drilling programme being undertaken this summer by a subsidiary of Dome Petroleum Ltd., Calgary, according to Petro-Canada officials, AP-DJ reports from Ottawa.

The participation would have involved an investment of \$30m. in one of the offshore drilling rigs. Petro-Canada said it decided that exploration in other areas of Canada rated a higher priority this time.

## Indecision

Congressional action on all foreign aid legislation has been blocked because of White House indecision on whether or when to veto the \$2.1bn. foreign military aid bill for the current fiscal year, UPI reports from Washington.

## Deadline for Norton Villiers sale likely

BY PETER CARTWRIGHT

A DEADLINE for completing negotiations for the Norton Villiers motorcycle and associated industrial engine factory at Wolverhampton is expected to be put to the committee of inspection at to-day's meeting.

The Liquidator, Mr. Kenneth Morgan, of Mann Judd, is known to be keen to bring the situation to a head and the meeting is likely to opt for an end-of-the-month deadline.

The only serious contender now is Mr. Ronald Titcombe, an Australian oilfields consultant, but his £2.5m. bid on behalf of a consortium is dependent on there being substantial Government aid.

He has been told by the Department of Industry that before a meeting with Mr. Eric Varley can be arranged he must give more details about the viability of his proposition. Mr. Titcombe is out of the country and so that the committee of inspection will not know his views when it meets to-day.

**Uncertainty**

Mr. Morgan is also anxious to get the matter resolved to settle the uncertainty for the 600 or so former employees who are still picketing the premises since they were closed by Norton Villiers last July.

While Mr. Titcombe is understood to be able to command the purchase price, he needs at least another £1m. development capital to resuscitate the industrial engines and motorcycle factory.

For the past three months or so he has had a group of experts at Wolverhampton assessing work in progress and preparing for quick resumption of production once the purchase price is agreed.

**Realistic laws on dumping urged**

By Rhys David, Textile Correspondent

THE GOVERNMENT should provide a much more realistic interpretation of "dumping" in the existing law, which is inadequate legislation, a management seminar in London organised by the Clothing Institute was told yesterday.

Mr. Norman Sussman, managing director of L. S. and J. Sussman, a manufacturer, claimed that in some sectors, such as shirts, it was proving difficult for the U.K. industry to remain viable on the basis of the market left to it.

It was impossible to prove dumping, however, when it was necessary to show that garments were being landed in this country at less than they were being sold in countries such as South Korea and Taiwan.

The Government should give some indication of the size of the market to be filled by imports so that management could have the necessary confidence to carry out investment.

In the U.S. only 10 per cent. of the market was accounted for by imports.

The industry should not advocate controls simply to avoid facing the realities of world trading conditions and competition, he said. The role of imports should be kept in perspective.

"We all need imports in some form or another: some of us because we cannot get fabric of a certain design or quality which we require in this country, some of us to supplement the cheaper end of our ranges."

Mr. Alan Williams, Minister of State for Industry, said at the seminar that the EEC countries now represent 60 per cent. of the U.K. market for clothing and footwear, yet U.K. producers had managed to win less than 10 per cent. of this.

**Monopolies inquiry into newspaper wholesaling ordered**

BY MICHAEL THOMPSON-NOEL

THE WHOLESALING of national newspapers and periodicals in England and Wales was referred to the Monopolies and Mergers Commission yesterday by Mr. John Methven, Director General of Fair Trading.

In a second reference, Mr. Methven has asked the commission to examine the same issues in Scotland.

Both references ask the commission to investigate two practices: the refusal of wholesalers to supply particular retailers and the participation of wholesalers in retailing.

Mr. Methven has asked the commission to report within 18 months.

Part of the immediate background to the references involves a High Court dispute earlier this year resulting from the loss of around 3m. Sunday newspapers to the Monopoly Commission.

The losses were due to an official action by members of the Society of Graphical and Allied Trades working for inner London wholesale distributors.

The men involved claimed their work was threatened by the employment of non-union workers and by alleged encroachment into the inner London sales area by wholesalers operating on the fringes of it. Outer London sales were handled by the SOGAT outsiders.

A spokesman for Mr. Methven of all national morning newspapers is more than 14m. Just newspaper and periodical wholesaling has been the subject of to be delivered by retailers.

**Government sets 25-year target for saving energy**

BY RAY DAFTER, ENERGY CORRESPONDENT

THE GOVERNMENT wants to see billions of pounds saved through energy conservation, Building Research Establishment, Watford, to help achieve this level of energy saving.

He told the council at the Establishment of the initial achievements of the Property Services Agency in improving the energy efficiency of Government buildings.

The agency had saved the taxpayer £12m. about 10 per cent. of the energy used across the board, in its first year of Government saving activities.

**Oil companies warned to stop crying 'wolf' in North Sea**

BY RAY DAFTER, ENERGY CORRESPONDENT

A SENIOR Government official has told oil companies to stop crying wolf over North Sea policies.

"By all means go through the motions of complaining on every issue. But do let us know when you are serious," Mr. Clarence Tuck, a Permanent Under-Secretary at the Department of Energy, told a conference of oil industry leaders in Houston Texas.

While the Government was not an aggressive anti-oil company, it was not to be misled by the oil companies' walk all over us.

"The oil companies must take account of public interest in the U.K. What is good for Exxon or Shell must also be good for the British people, or it is just not on."

The Government was sticking by its principles for North Sea development: a reasonable financial return for the British people; participation in the development of the fields; the creation of a publicly-owned oil company; and a proper degree of control over the offshore industry.

But it was achieving these aims through partnership with the oil industry. There will be no shotgun marriages.

The horror stories about ship-

**Cargo ship order for Austin and Pickersgill**

By John Wyles, Shipping Correspondent

MATHESSON, the shipowner company, has ordered an SD cargo vessel from Austin and Pickersgill, taking the total volume of new business won by the Wearside shipbuilder this year to around £40m.

Matheeson's order is a further indication that the Government's recent decision to extend its cost inflation guarantee scheme previously only available to foreign shipowners, is making domestic yards more attractive to British owners.

The scheme, which broadly compensates shipbuilders for cost increases of between 10 and 20 per cent, is enabling yards to quote fixed price tenders.

It may be followed by other measures later this year aimed at drawing in the orders needed.

**Close vote expected in council elections**

ALMOST 16,000 council seats are at stake to-day as voters go to the polls in local elections in England and Wales. On average, two candidates are contesting each vacancy and there could be close results in many of the English metropolitan districts, the 296 non-metropolitan districts and the 37 Welsh metropolitan districts.

Polling in local council elections is frequently close, but unlikely that Mr. Callaghan will see the outcome as a real test of the public's judgment on performance as Prime Minister.

But with the prospects of an early general election growing, many regard the results as some indication of Labour's national support.

The Tories are looking for further substantial gains in heavy successes last year in the London area, for a third of the seats in English metropolitan councils. The Conservatives are counting on capturing at least one major city.

Liberal leaders are anxious to improve their position in the pool where they rule without overall majority, and to threaten to support posed by Mr. Thorpe's troubles.

Field Cymru is holding early candidates severely. Labour's Welsh branch is expected to be announced to-night with most of the results to-morrow.

**Advice after A-level exams**

POSTERS and pamphlets about the Further Education Information Service are being distributed to education establishments throughout the country as a first step in a campaign to give advice to school leavers whose A-level results do not qualify them for the course of their choice.

Pupils taking A-levels this year and further education studies on whether the company is made out its case for support.

He made it clear that the burden of monitoring Leyland progress, particularly at the executive level, was taken himself.

Questioned on his attitude to the Chrysler rescue, Lord Ryder said that because of its size, its survival would mean only a marginal impact on Leyland. But he had no intent of ever taking on Chrysler, integrate it with Leyland in NEB.

He had rejected this idea during the negotiations on a Chrysler rescue. The problem was that because of Chrysler's size it could not be reformed separately. The company was too small to be viable in a form. It was an impossible management task to reorganise Chrysler along with Leyland which had its own mammoth rationalisation programme carry through.

In some sectors of industry such as machine-tools it was possible and practicable for the NEB to run more than one company side by side.

**Ryder hits out at Leyland's critics**

BY TERRY DODSWORTH, MOTOR INDUSTRY CORRESPONDENT

LORD RYDER, chairman of the National Enterprise Board, sprang to the defence of British Leyland yesterday when he hit out at the "deep-rooted machinistic nature" of the British people, which "was dangerously undermining our strengths and successes."

This national propensity to exaggerate Britain's economic difficulties was having a highly damaging effect on the recovery programme of British Leyland, Leyland said, "is so vital to our future that it must be made a success, and efforts and encouragement must come from all quarters—not just the employees and management of BL—to bring this about."

Lord Ryder's criticism, in a carefully prepared statement to the Commons Trade and Industry Sub-Committee, examining the Chrysler rescue affair, illustrates Leyland's growing irritation with damage it feels caused by the intensive publicity to which it has been subjected for 18 months.

"Foreigners do not and probably never will" understand the machinistic trait in the British character, which was leading the country to "proclaim and

reiterate all our faults, weaknesses and problems," said Lord Ryder.

He listed the positive features of Leyland's record in the first half of its first financial year since the re-organisation.

The company had exported \$20m. more of its products than in the corresponding six months of the previous year, would sell nearly 9m. vehicles in the next eight years, achieve exports worth nearly £15m. an import of cars and parts worth £17m. and provide direct and indirect employment for nearly 1m. people in the U.K.

"It will invest £2.5bn. in new products and facilities; and without a strong British Leyland there will not be the base—the fundamental support—for the highly successful U.K. component manufacturing industry, the Chrysler rescue affair, illustrates Leyland's growing irritation with damage it feels caused by the intensive publicity to which it has been subjected for 18 months."

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# HOME NEWS

## Wider bail reform urged

BY A. H. HERMANN

MUCH wider reform than proposed in the Bail Bill going through Parliament is demanded by organisations concerned with overcrowding of prisons, unnecessary expense, and the unwarranted hardship inflicted on some accused or convicted people.

In a memorandum published yesterday, the five—Howard League for Penal Reform, the National Association for the Care and Resettlement of Offenders, the National Council for Civil Liberties, Radical Alternatives to Prison, and the Prisoners' Association—urge amendments to the Bill which would eliminate or greatly reduce the number of people held in prison when accused of offences for which they cannot be imprisoned if found guilty or convicted of such offences and waiting for medical and, particularly, psychiatric examination before they are sentenced.

It is also proposed that an innocent person, who has suffered as a result of imprisonment before trial, should be paid compensation as a right.

The Home Office should be required by the proposed legislation to establish a compensation scheme by regulations the five organisations say.

They also urge the extension of bail to those applying for bail to a judge in chambers. The Bill as it stands applies to bail before conviction but does not give a special status to people accused of offences for which they can be fined but not imprisoned.

The memorandum proposes that bail should have to be granted in such cases. The proposal is argued mainly on humanitarian grounds and does not deal with situations when imprisonment before trial is believed necessary in order to avoid interference with witnesses.

The memorandum presents a more complete argument when criticising the fact that about 12,000 people are remanded in custody each year before trial but before sentencing, so that medical reports can be obtained.

Of these, a large proportion is given non-custodial sentences.

## Confidence over Post Office deficit

THE GOVERNMENT'S decision to let the Post Office responsibility for balancing its books was welcomed yesterday by Mr. Alex. Curran, Managing Director, Posts.

The Government target of Post Office deficit below £70m. in 1975-76, he told the annual conference of the National Federation of Sub-Postmasters, at Llandudno, should be attained with a comfortable margin to spare.

The target of breaking-even in the current financial year would be achieved, he forecast.

"It was frankly disheartening to find last year after the Government had not been willing to let us continue along the chosen road at what we believe to be the right speed," he said, in reference to the halving of proposed rises in parcel charges.

"In the interim, we have had to put up with the loss of a small but significant parcel losses, letters will have to carry the additional burden, and we all want to avoid letter price increases."

Security, on which £23m. a year was saved, was encouraging aspect of the Post Office. "Excluding Northern Ireland, losses from robberies have come down by half since two years ago. Parcel losses are now very small indeed."

The potential for growth of personal accounts with the National Giro was "enormous." The accounts should become increasingly attractive now that personal loans were available and now that plans were well advanced to introduce Giro guarantee cards.

## Russian line wins share of sea trade

By James McDonald

THE SOVIET Brest Line has scored a further success in its bid to win a big share of sea trade between Britain and East Africa by carrying for the first time a consignment of mail to Kenya.

However, the Post Office said yesterday that its use of a Brest ship last month did not represent a change of its traditional policy of shipping mail on vessels owned by British companies belonging to the U.K.-East Africa shipping conference.

Conference members have been complaining recently about Russian price cutting tactics which have enabled Soviet ships to capture 25 per cent. of U.K.-East Africa mail.

In spite of the Post Office's assurances yesterday that its policy of giving preference to British ships would continue, the Russian success in securing a mail cargo usually carried by British Lines is more salt in the wound.

The Post Office said yesterday that British ships normally sailed only twice a month to Kenya and in April it wanted a third sailing to improve its service. The only ship available belonged to Brest Line.

## Politicians must adapt to let in unions—Heath

BY PETER HENNESSY, LOBBY CORRESPONDENT

MR. EDWARD HEATH, former Prime Minister and Conservative MP for Bexley, Sidesop, said yesterday that the country's institutions must adapt themselves to accommodate trade union power, which he likened to "a rogue elephant running loose outside the political system."

The unions existed to use their power in the interests of their members, he told a meeting of the British Medical Association at Winchester College. But that power had to be made accountable, if necessary, by modifying political institutions.

The Labour Government's "social contract" did not fulfil this requirement as the Labour TUC committee was a joint meeting of the party, but not Government with the trade unions.

"This is not a quibble. It is the crucial distinction. It under-

lines the fact that the trade unions have in no way institutionalised their position with the Government of the day, regardless of party."

The Labour Government had virtually handed over certain policy decisions to trade union leaders. It was no wonder that the electorate felt unrepresented and aggrieved. He called for a voice of "moderate protest" to make itself heard.

Mr. Heath also warned politicians of the two main parties not to yield to the temptation of adopting extreme political positions not shared by the British public, which had "always preferred to steer a middle and moderate course even if that does mean breaking the odd law of logic."

What aroused the public's suspicions were proposals to

## Growth of civil aviation forecast at 7-10%

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

OPTIMISM ABOUT the long-term future of civil aviation, with passenger traffic growth settling down at an annual rate of 7 to 10 per cent, when the recession is over, was expressed yesterday by Lord Boyd-Carpenter, chairman of the Civil Aviation Authority.

While this rate of growth was modest by previous aviation standards, it was one which all but a handful of other industries would regard with envy.

He told the fifth World Airports Conference at Brighton that he did not believe that by the end of this decade aviation would have reached a "ceiling" on its growth.

"As people once again become better off in real terms, as they surely will, they will tend to spend a higher proportion of their income on holidays and travel generally, of which aviation will continue to get an increasing share," he said.

The number of aircraft movements at airports would rise more slowly, however, because aircraft would become bigger, and carry more passengers. This would ease pressures on existing runways and the need to build more.

Lord Boyd-Carpenter also forecast that some current aviation problems would diminish. Airport noise, in particular, would become less of an issue, as an increasing number of quieter aircraft joined the fleet. Tests and older, noisier jets went out of service.

By the late 1980s, air travel would have become accepted as an integral part of civilised life, along with the other modes of mass transport.

He thought that aviation planners would have to recast their thinking to cope with the new problems that the "third era" of post-war civil aviation would assume, which governments have done little or nothing to solve. The new era will become more restrictive during the 1980s.

One of these was curfew imposed because of noise at international airports. These "may possibly have made sense in the

past, and, if restricted to the noisy types of aircraft typical of that period, can still be argued for, despite their economic cost."

What must cause concern is restrictions applied indiscriminately to noisy aircraft and quiet aircraft, and the common future years, just when aircraft becoming increasingly quiet.

"Very little attention seems to be given to the fact that the lifting of night curfews for quiet aircraft would give airlines an incentive to speed up the replacement of noisy aircraft by quiet ones, and so reduce noise by day."

Commenting on the proposal that more use might be made of Standed as a civil airport, he said: "There can be no justification for resurrecting the arguments of the mid-1960s against the vastly different nature and scale of development proposed by the British Airports Authority for Stansted in the 1980s."

A new international group to develop and run airports throughout the world has been formed by Alitalia, the Italian national airline, and the U.S. Austin Company, civil engineers of Cleveland, Ohio.

Called Group Two A, the new company is negotiating contracts for the development of 10 airports.

## MPs seek ministry talks over shipping HQ

By Our Own Correspondent

THE NORTHERN group of Labour MPs is seeking an early meeting with Mr. Gerald Kaufman, the Minister for Industry, over the delay in announcing the location of the headquarters of British Shipbuilders, the State corporation which will run shipbuilding after nationalisation later this year.

"They are concerned that the North-East, once regarded as the most likely site for the HQ, is now likely to lose the HQ to Merseyside. A decision is likely to be made in the next fortnight by the British Shipbuilders Organisation Committee."

Mr. Jack Dorman, the group secretary and MP for Eastington, said: "We hope to send a deputation to see Mr. Kaufman next week."

The North of England Development Council, which is campaigning for the HQ in Tyne and Wear, criticised the "inexplicable delay" in announcing the location.

## Refund possible after air fare increase rejection

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

PASSENGERS who have bought tickets for Atlantic flights after May 1 may be entitled to refunds because of a complete upheaval in fares on the route.

The situation stems from the U.S. Civil Aeronautics Board of an increase of 8 per cent in the economy fare. This effectively renders void the entire package of new fares agreed among airlines and forces them to revert to fares prevailing before May 1. The new package had included increases in a number of fares, including 8 per cent on economy rates and smaller rises in others, such as a 2 per cent rise in Advance Purchase Excursion fares.

The airlines, members of the International Air Transport Association, are having to re-assess their individual Government agencies for authority to charge the increases. In the meantime, they will probably have to make a refund to any passenger who has bought a ticket bearing the new package.

The new package had included increases in a number of fares, including 8 per cent on economy rates and smaller rises in others, such as a 2 per cent rise in Advance Purchase Excursion fares.

## Answering service gives Heathrow travel tips

The British Airports Authority has introduced a 24-hour answering service, giving travel tips about Heathrow Airport, writes Michael Donne.

Callers dialling 01-897 6711 hear a recording giving advice on surface links to the airport, car parking, bus times and directions for terminals.

The message will be altered from time to time, but it can be used for up-to-the-minute flight information, weather bulletins or road traffic reports. These change so rapidly that the cost of such a service would be prohibitive.

In particular, the BAA's message stresses the need for passengers coming to the airport to know which terminal they have to go to, so as to prevent unnecessary traffic movements in the congested central area.

## New Brent platform to be world's tallest

BY RAY DAFTER, ENERGY CORRESPONDENT

A 500-FOOT-HIGH production platform for Shell/Esso's big Brent Field in the North Sea was floated from the Methil, Fife, yard of RDL North Sea yesterday. Later the company said it was "the largest in the world" and "the tallest in the world."

The structure will eventually be the tallest offshore steel platform in the world—about 780 feet high when all the facilities have been added on the deck structure.

It was floated on special supporting barges and towed three miles into deeper water in the "Firth of Forth by two tugboats, the Englishman and the Scotsman."

Two other tugs, the Seaman and Lady Theresa, were also involved in the towing operation controlled by United Towing Ocean Tugs of Hull.

The structure should be separated from the barges to day before the start of a 240-mile day tow to the Brent Field, north-east of the Shetlands.

RDL, a British Steel Corporation subsidiary, said that the structure was enough to last at least until the end of the year. However, like other lead-

## Building slump 'may get worse'

By Michael Cassell, Building Correspondent

A WARNING that the slump in construction activity was continuing and could get even worse came yesterday from the National Federation of Building Trades Employers.

Commenting on the results of its latest state of trade inquiry, Mr. Martin Grafton, director general of the federation, said that all the signs were that the recession in the industry would continue.

Far from bottoming out, the industry's workload looked as though it might continue to fall for another 12 months or even longer.

Most forecasts suggest that the fall in output will be about 2 per cent, after the 6 per cent decline in workloads last year and the 10 per cent drop in 1974.

The industrial and commercial building sectors continue to show most concern, with the improvement in housing output only partially offsetting the poor outlook elsewhere.

McGrafton said that the situation would have "most serious consequences" for the industry's manpower and for its ability to cope with a revival of building for modernisation that was crucial to the Government's regeneration of industry plans outlined last year.

## Dependent

The Government should realise that an efficient manufacturing sector was heavily dependent upon the availability of an up-to-date superstructure of modern buildings, construction industry working half time was no way to achieve this objective.

The latest estimates suggest that more than 220,000 building workers, out of a total force of just over 1m, are out of work with small and medium-sized contractors worst hit by the continuing downturn.

According to the federation's latest trade inquiry, 47 per cent. accepted even the industry's action plan for new work in April than three months earlier. Of those taking part in the survey, 33 per cent. said that they had also managed fewer tendering successes.

An estimated 71 per cent. of building companies now say they believed that the industry's action plan would not be enough to diminish in the next 12 months.

In addition, 54 per cent. of contractors expect to do less work this year than in 1975.

## Total ends cut-price petrol sales

By Ray Dafter, Energy Correspondent

TOTAL OIL is to end its support of cut-price petrol sales from Friday.

It said yesterday that the decision came after a gradual reduction in the level of support over the last fortnight.

Total is following the lead of other petrol suppliers—Shell, Esso, and B.P.—in returning to normal schedule pricing.

Mr. Graham Powell, Total's director of retail sales, said that it was hoped that the industry's action plan would lead to more visible marketing conditions for oil companies and dealers alike.

The discount system has meant that petrol stations have been cutting the price of four-star fuel by 7p or more a gallon. In most cases the companies have offered to subsidise the discounts provided that the retailers accepted a similar cut in their margins.

Four-star petrol should now cost up to 78p or 79p a gallon.

## Curry's launch of guaranteed repair scheme

Financial Times Reporter

CURRY, one of Britain's biggest electrical retailers, yesterday launched a guarantee scheme under which the company undertakes to repair durables free within 12 months of purchase.

The scheme is part of Curry's trading policy, which also covers prices, credit terms and refunds.

Many goods sold by Curry are already covered by manufacturer's guarantee schemes, but the terms of these vary. The scheme means that all products sold by Curry will be covered by the same guarantee.

In the event of an item covered developing a fault within a year of being bought, Curry will ensure that it is repaired or replaced. The guarantee covers both labour and materials.

The company is telling customers they may try some of the new products under an obligation to buy and is offering to refund to customers their money if they decide within seven days that they do not want what they have bought.

## Engineers' conference will test pact on incomes

BY ALAN PIKE, LABOUR STAFF

AN EARLY and crucial test of the newly-agreed second phase of incomes policy will be provided this month by the Amalgamated Union of Engineering Workers National Committee, whose agenda is swamped with calls for a return to free collective bargaining.

Of 29 resolutions on wage restraint only one gives anything approaching totally unambiguous support to the Government's counter-inflation policy.

Hostile resolutions range from straightforward rejection of wage restraint "in any form" to one which calls for the union use of industrial strength if necessary in support of free collective bargaining—a suggestion for strike action to break the restraints agreed between the Government and the TUC yesterday.

Even the traditionally moderate Division 17 in the Coventry area urges the executive not to support either the Government or the TUC if future policies erode skilled differ-

tials. This reflects the anxiety of skilled workers about their relative pay position, manifested in the recent crop of toolroom strikes at British Leyland plants in the West Midlands.

When the National Committee—policy-making body of the AUEW's dominant Engineering Section—begins its meeting at Scarborough on May 13, the standing orders committee must recommend whether the wage restraint resolutions should be debated or referred to the national conference of the amalgamated union's four sections, which meets the following week.

This may be of vital importance in determining the amount of opposition which the second phase of Government policy will face. The National Committee, although finely balanced politically, is more likely to reflect calls for an end to wage restraint than the more Left-influenced conference.

If the National Committee debates wage restraint and decides to support the Government, its 52 members will become mandated to vote for this position at the full conference, where the Engineering Section has a majority, effectively deciding the issue in advance. Last year the conference committed the AUEW to opposing the 50 limit, but this was reversed so far as the Engineering Section was concerned by a special National Committee meeting in December.

## Pay rise calls

On the specific issue of engineering industry pay the committee will debate calls for increases in the national minimum rate for skilled workers from £40 to £50.

Another issue which will occupy the committee is Press and broadcasting "interference" in the union's elections, the subject of critical resolutions from five divisions.

## White-collar Civil Servants vote for affiliation

BY DAVID CHURCHILL, LABOUR STAFF

THE LARGEST trade union outside the TUC, the 100,000-member Institution of Professional Civil Servants, yesterday decided to seek affiliation to the TUC and to join in time for the Special Joint Congress on incomes policy.

At the institution's annual conference in Eastbourne yesterday the vote in favour of seeking affiliation to the TUC was 54,434 in favour and 38,244 against.

This reverses a referendum of institution members held last year which voted by a majority of two to one against affiliation.

The change in attitude of members, comprising the professional, scientific and special grades of the Civil Service, follows an intensive campaign by the union's executive council to recruit support for affiliation.

In the past year national officials have explained to nearly every branch that affiliation to the TUC is the only effective way left for members to make their collective voices felt.

"The institution is anxious to exploit the opportunities of TUC membership to oppose public expenditure cuts which threaten civil servants' jobs and to make its views on pay policy known, especially following the suspension of the Civil Service pay re-

search agreement under the present pay policy.

The size of yesterday's vote came as a surprise to delegates at the conference, but opposition during the debate only centred on calls for another referendum on the issue rather than leaving the decision to a card vote of delegates.

Three similar referendums have been held by the institution since 1945, resulting in a large majority against affiliation each time because of fears that the union would lose its political neutrality by joining the TUC.

But delegates this time accepted the union's national executive view that the deteriorating economic position over the past year had made affiliation essential.

## Whitehall union on closed shop

PROPOSALS for making membership of a trade union compulsory for all new Civil Service entrants, while allowing existing civil servants to remain outside the union, will be debated at the 58,000-member Society of Civil Servants' annual conference at Folkestone later this month.

## New dispute at Leyland hits car production

BY OUR LABOUR STAFF

PRODUCTION of Leyland's Jaguar production, Princess model at Cowley was halted yesterday and 400 workers laid off because of a dispute at the company's Birmingham transmissions factory.

Birmingham workers are seeking payment for time they were laid off during a strike by toolroom workers and their action will cost Leyland production of 200 Princesses a day.

This latest interruption of output came as Leyland appeared to be entering a period of full production following settlement of the fortnight-long strike by welders at the Darlington workers staged a 24-hour token which has cost £6m-worth of strike over manning levels.

## Pay award for textile industry workers

ABOUT 20,000 workers in the textile finishing industry are to receive a pay rise from May 17 but the details of the award have not yet been calculated.

After the employers and the National Union of Dyers, Bleachers and Textile Workers have agreed to accept a rise of 2.25 per cent to March 30, the same deal they rejected which is within the 50 limit—the matter was referred to conciliation. The workers received a £2 increase last November and the average effects of this increase on earnings will now be offset against the union's claim for a further 2.5 per cent.

About 120,000 workers in hair-dressing will receive wage increases of between £3 and £5 from June 23, the Hairdressing Under-takings Wages Council has announced. Workers with three years' service with the same employer will also be entitled to a fourth week's holiday.

About 50,000 pottery workers have agreed to accept a rise of 2.25 per cent to March 30, the same deal they rejected which is within the 50 limit—the matter was referred to conciliation. The workers received a £2 increase last November and the average effects of this increase on earnings will now be offset against the union's claim for a further 2.5 per cent.

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## Engineers, executives urged to choose the right union

BY DAVID CHURCHILL, LABOUR STAFF

WHITE-COLLAR UNIONS hoping to recruit over 120,000 professional engineers and middle managers in private sector industries were warned yesterday not to ignore the professional status and "ethical code of conduct" of this group.

Mr. Tony Dummett, chairman of the Council of Engineering Institutions, told a London conference that while trade union membership would most effectively look after the interests of middle managers and engineers, the trade unions involved had to be the "right sort."

"The right" trade unions for this group would have to be governed by "men of conscience."

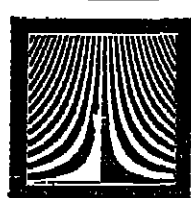
"No effective union can completely 'abrogate' industrial action: it is its only effective sanction. But the sort of trade union we are recommending will use it only as a last resort, not as a first one as so many of these 34,000-member Electrical Power Engineers' Association is affiliated to the TUC."

At its annual conference last month EPEA delegates voted by a majority of three to two in favour of recruiting outside its traditional areas of recruitment. Mr. Dummett also warned yesterday that the new closed shop legislation was forcing engineers "by the crudest power tactics" to join trade unions with which they had no sympathy.

Greater say

Earlier this year the council, which represents 15 professional engineering institutions, published a report urging against encroaching into its traditional areas of recruitment. Mr. Dummett also warned yesterday that the new closed shop legislation was forcing engineers "by the crudest power tactics" to join trade unions with which they had no sympathy.





# The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHÖETERS

## RESEARCH

### Improving filtration techniques

NEW DEVELOPMENTS in filtration technology which could have an important commercial appeal in many industries are being investigated with the aid of a high gradient electro-magnetic separator designed by International Research and Development Company.

Potential uses are as diverse as purification of sewage, removal of sulphur inclusions from pulverised coal, concentration of iron from low-grade ore and the removal of paramagnetic particles from process and effluent streams.

Basic principles of magnetic separation have been known and used for years. Where the IRD idea differs is in the efficiency of the unit (shown right) in which the high gradient makes it possible to separate materials in very small particles and having very low magnetic susceptibility.

Non-magnetic materials can also be removed by attaching them to added magnetic oxide by means of a flocculant of the type normally used to purify water supplies.

IRD's device consists of a container packed with a filter and placed in the field of a powerful electro-magnet. Liquid slurry containing the material to be concentrated or purified is passed through the container. Magnetic particles, even weakly magnetic ones, are trapped and so is any non-magnetic solid attached to them.

At the end of the process, the magnet is switched off and the

trapped particles are washed out with a suitable medium.

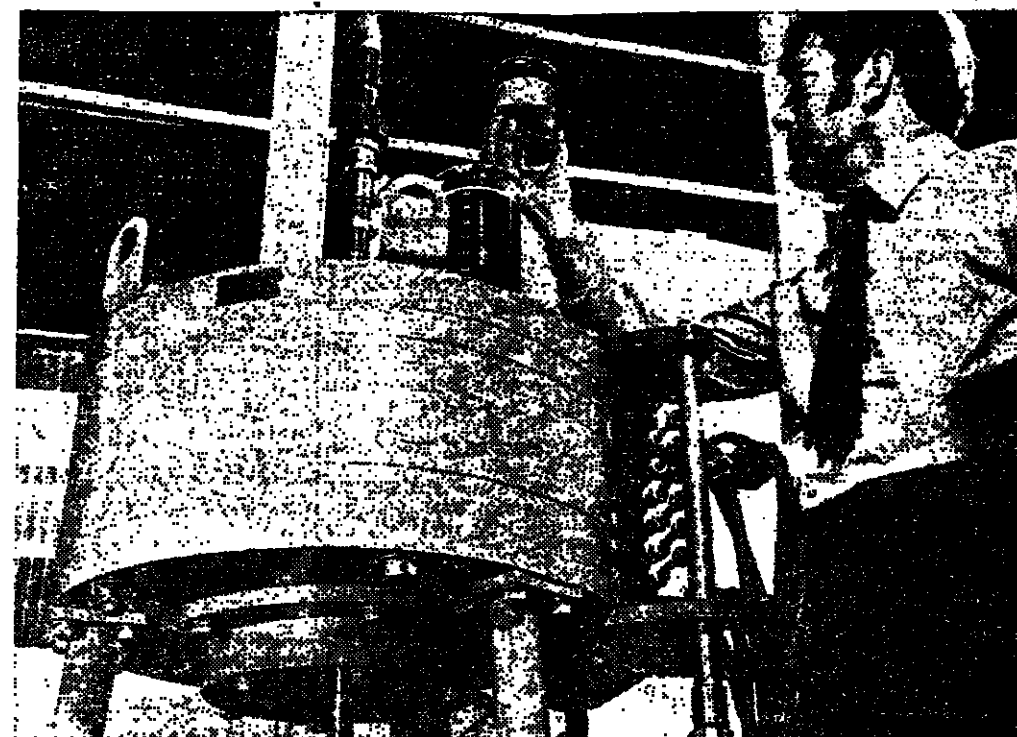
Work has been done on such substances as blast furnace scrubber water and micron and sub-micron pollutants have been removed with high efficiency up to 97 per cent at flow rates of about 120 gallons per square foot per minute. The system also works with ferric oxide and titanium dioxide and on particles of a size difficult or impossible to remove with standard techniques.

No problems in scaling up are anticipated and the next step will be installing a unit where it can be most effective. This is expected to be in areas where huge amounts of cooling water are required in a process which results in extensive fouling. With the IRD unit, reuse of the water in a continuous cycle would present no difficulties and—because of the way in which water prices are rising—must be considered by industry generally.

IRD, Fossway, Newcastle-upon-Tyne NE6 2YD. (0632 650451).

### Atomic beam changes the surface

ALREADY widely used in the preparation of high performance electronic components, ion implantation techniques are being



shown to have an immense potential in engineering and other industries because of the ease with which they can be applied to giving metallic and other surfaces new properties without altering their dimensions. Selected ions are driven into the surface to be treated and penetrate to depths between 100

and 1,000 atomic layers. Clearly this modifies surface composition. But it also brings about high compressive stress so that properties of the surface can be very greatly changed—manipulated as the engineer requires. The investigating team at Harwell is working with a handful of companies on the tech-

## ENERGY

### Rubbish in cement kiln experiment

REFUSE from West Sussex households will be disposed of as part of the fuel in the making of cement at the Blue Circle Group's cement works at Beeding, Sussex, starting this month. Extended trials are to be run

at the works to establish just how much rubbish can be used as a part substitute for coal in the cement kiln. At the start 350 tonnes a week will be used, which is more than half the throughput of West Sussex County Council's pulverising plant at Sompotting, five miles west of the cement works.

West Sussex has 280,000 tonnes of domestic refuse to dispose of each year. Blue Circle may eventually take around 60,000 tonnes of it, and is enthusiastic about the new process which is designed exclusively for use in conjunction with cement manufacture. The cement producer says one advantage of burning refuse in a cement kiln is that the gases produced on combustion are neutralised by the alkaline materials—chalk and clay used in cement making. Adjustment of the proportions of these raw materials ensures that there is no adverse effect on cement quality.

Such is the interest in the process that Blue Circle is organising a symposium at Beeding to enable local authority representatives from all over the country and representatives from the Department of the Environment to discuss it and see it in operation.

Further from Associated Portland Cement Manufacturers Limited, at Portland House, Stag Place, London SW1E 5BA (Tel. 01-828-3456).

## MATERIALS

### Steel for fluid power designers

HYTUBE, a new generation of cold drawn steel tube for fluid power cylinder barrels and rams and conforming to the requirements of BS 5342, has been introduced by Tubes, a TCI Steel Tube Division company of Aston, Birmingham.

Available in cold drawn form suitable for finishing by the customer, or with smooth bore, honed bore or surface ground finish, in a wide range of sizes, it represents the culmination of an intensive development programme by Tubes to meet every aspect of the stringent needs of the cylinder maker in terms of improved mechanical properties, closer dimensional tolerances and reduced stock allowances.

When supplied, specially finished, Hytube is generally precision straightened to a minimum of 1/2,000 for honed bore tube and 1/3,000 for ground tube. As-drawn tube is normally supplied with a minimum straightness of 1/666 but can be precision straightened to 1/2,000 or better.

Hytube conforms in many instances to standards which are higher than those required by BS5342 and is the outcome of a co-ordinated programme involv-

## LUBRICATION

### Reinforces the oils

CONVENTIONAL lubricating oils can be "reinforced" to improve their anti-friction and wear protection performance with the use of an additive introduced by Guardian Barrier Lubricants, 92 Ryeberry Road, London SE24 0JL (082 2592).

Designated 212, the product is claimed to provide barrier properties so that pitted, scarred or scored metal surfaces are reformed as burnishing and plating takes place. A concentrate of colloidal, low-friction, high load-carrying interacting lamellar solids, 212 (usually diluted with oil prior to application) has an average particle size of 4 microns; this combined with dispersion stability, prevents problems with fine oilways and filters.

The maker says that on a Timken test machine a blend of 90 per cent medium viscosity oil with 10 per cent 212 withstands maximum loading (over 6,500 kg) without seizure or scoring.

## INSTRUMENTS

### Hydraulic testing

FOR STATIC and through-zero dynamic testing of materials and

ing the steelmaker, hot finished tube or welded tube supplier, and Tubes' own production and technical functions. Wall thickness concentricity of Hytube is guaranteed to within  $\pm 5$  per cent on outside diameters up to 120 mm and within  $\pm 8$  per cent on diameters over 120 mm, as compared with the BS 5342 allowance of  $\pm 10$  per cent.

### Water-base non-stick coating

NOW BEING made by Whitford Plastics, Brindley 88, Astmoor, Runcorn, Cheshire (09285 66548) is Xylan 1700, a water-based pte coating material. Because it contains no toxic solvent, the material is stated to meet the requirements of the U.S. Food and Drug Administration and to be suitable for coating bakeware.

The maker says it is the first pte formulation which cures at a temperature below the sintering temperature of pte to produce a high quality non-stick coating. It is available in a variety of colours, and has all the other dry lubrication characteristics of pte.

A further advantage of the water-based version is that it can be applied in relative safety by direct air spray and air-assisted electrostatic spray, as well as by flow or dip methods. The maker is a subsidiary of the Whitford Corporation, U.S.

### Stainless supply plan

STORA Koppaberg, Stora Steel and Stahlwerke, Suedwestfalen AG (part of the Krupp Group) are co-ordinating plans for the international marketing of stain-

We pay for your steel until you need it

components, the FM series of universal hydraulic testing machines have been introduced by RDP-Howden, Althorpe Street, Leamington Spa, Warwick (0826 27782).

Maximum thrusts range from  $\pm 50$  kN for the FM 5/2, to  $\pm 1000$  kN for the FM 100/40. Load sensing is by interchangeable load profiles, low deflection strain gauge load-cells. Frame stiffness is stated to be over 2000 kN/mm.

The electronic control, programming and monitoring console can be adapted to punched tape or computer control. Options include hydraulically adjusted and locked cross heads and a dual-pressure hydraulics system using a port servo valve to provide "bumpless" run/standby change over with the ability to adjust the maximum thrust without detracting from the dynamic response.

less steel products. Stora will terminate its production of stainless sheet, currently handled at the company's Sodfors and Domnarvret Plants, Sweden, during 1977. At the same time it will expand output of specialty steels, notably Soderfors' powder metallurgy high speed steel (ASP-Steel) as the manufacture of prefabricated building units made from plant coated Döbel steel sheets. A move will also release capacity, make possible increased production of cold rolled steel Domnarvret.

In the U.K., at Stora Steel, existing stainless steel production will continue to be marketed in the service and availability: stainless steel will remain a changed from the end of 1976. Stora Steel will become stock for Suedwestfalen receives supplies from Dusseldorf rather than Domnarvret.

## ELECTRONICS

### French film circuits

BOTH thick and thin hybrid film circuits made by CIT Alcatel Paris are available from Syco Services, The Moor, Catton, Bedford (0234 720575).

Thick film devices are made to customer specifications: passive resistive, resistive/capacitive or active hybrid network using up-to-date technique. Resistors can be produced from ten ohms to one megohm,  $\pm 1$  per cent. Absolute temperature coefficient is typically 100 ppm/°C. Various enclosures are provided.

In thin film, active filters are made using resistive tantalum nitride and capacitive tantalum pentoxide films to obtain almost ideal temperature coefficients. Several categories of filter can be designed and made to customers' specifications.

## DATA PROCESSING

### Core from Plessey

INTENDED for use with eight bit microprocessors and other small capacity storage applications is the PCM 409-M, a compact 4k nine bit core memory, introduced by Plessey Memories.

The design, in double Europa format, is based on 18 mil cores organised in three-wire 3D configuration for maximum economy and reliability. Timing and control circuits are included.

Operating from a single +5 volt supply the system, which is non-volatile, gives 800 nano-second cycle time, 300 ns access time and is fully TTL compatible. It is expandable up to 65k capacity; a 1k nine bit option is available.

The company can supply a set of application notes and circuit information on interfacing the memory to the well-known Intel 8080 and Motorola 6800 micro-

processors. Water Lane, Towcester, Northants NN12 7EG (0327 50312).

### Advice by experts

BOTH hardware builders and the software houses are blamed for the "widespread failure of engineers to utilise computers to help solve their problems" by the Product Assessment Laboratories at Plessey, Titchfield (0234 43051).

Mr. Brian Mair, manager of PAL, says "most engineers have not adopted the computer—and if it is left to the computer companies they probably never will. The latter appear to be more concerned with hardware sales and programming techniques than with understanding the realities of individual engineering problems."

The problem, in effect, is that the computer programmers and

the engineers are working in two different languages and two different terminologies, he asserts.

PAL is extending its engineering analysis consultancy service to exploit the ability of its staff to blend engineering and computer programming.

### New Instem controller

INSTEMATIC is a programmable controller, performing essential routines in process and plant control. It uses an instem-developed, high-level application language which does not require computer programming knowledge by the operator, and the system is based on a DEC LSI-11 microprocessor.

As well as basic control of on/off stages in a plant, routines such as weight control, batch counting, flow blending, and alarm level comparison can be performed. The system can pro-

vide log outputs including inventory control, material usage, batch values and identities and alarm data, with live data inserted within message texts. System memories are extendable from 1 to 8k words.

Details from Instem, The Mount Industrial Estate, Stone, Staffs. ST15 5LX (078583 2131).

### Versatile stand-alone computer

SYSTEM 6100 announced by Interscan is a self-contained VDU/Keyboard small computer based on three microprocessor chips which can also be used as a terminal system providing on-line access from a remote location if necessary, to a mainframe machine.

Basic systems for small businesses will cost from £15,000 to

£20,000, for distributed processing applications from £20,000 to £35,000 and for large business multi-location applications from £40,000 to £50,000. The system should be equally suitable for large organisations planning to decentralise and small companies seeking a low-cost, simply used system with an advanced range of facilities.

Programming is via the VDU in BASIC with commercial extensions, but assembler can be provided for experienced programmers.

Ready access to files is provided with minimal interference between operators using DRI floppy disc or cartridge. Easily-used business packages are offered ranging from basic accounting to management control. More on 01-672 2871.

## OFFICE EQUIPMENT

### Costs the job cheaply

RENTAL terms down to 80p a week are available for a series of job costing recorders put on the market by Blick National Systems, Bramble Road, Swindon SN2 6ER (0793 682401).

There are manual and automatic versions. The manual ones print the month, date, hours and minutes (model 3830) together with hundreds of an hour on the model 3833. Both print on any size or thickness of paper, and accuracy is by a pushbar on the top of the unit.

Similar numbers are printed by the automatic models, but these are automatically operated on insertion of the paper, a suitable mechanism accounting for thickness.

With Comex Diving, the four have formed a company called Structural Monitoring which will operate their system commercially.

Basis of the technique is the monitoring of vibration patterns in a platform. By distinguishing and monitoring the natural frequencies of the structure, any break in any section of it can immediately be detected.

Now, a further development of the system is under test to permit the detection of cracks in sub-sea steelwork in advance of a break in the metal.

The company reports the application of its techniques to three platforms of widely differing designs. It forecasts a sharp reduction in the cost of inspection by divers and asserts that safety will be greatly enhanced since pre-failure conditions will be detected well in advance.

Further information from Dr. Robert Rees, University of Glasgow, Department of Mechanical Engineering. 041-339 8935.

## CONFERENCES

### Air bearing symposium

SEVENTH in a series of symposia on "Gas Bearings" will be held at Churchill College, Cambridge, from July 13 to 15.

Speakers from six countries will discuss gas bearings in use in the aerospace industry, in textiles, nuclear engineering, and in instrumentation. The practical and academic aspects of surface phenomena, porous and self-acting bearings will be covered, and there will be a session on theoretical and experimental design aids. Gas bearings in use are commonly operated at speeds ranging from 40,000 to 100,000 rpm.

Details from BHRA Fluid Engineering, Cranfield, Bedford MK43 0AJ (0234 750422).

## NORTH SEA OIL

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FOUR Glasgow University engineers have co-operated in the development of methods to monitor the structural integrity of the steel in North Sea platforms and have successfully demonstrated them at the conclusion of a 12-month programme with British Petroleum under actual rig conditions.

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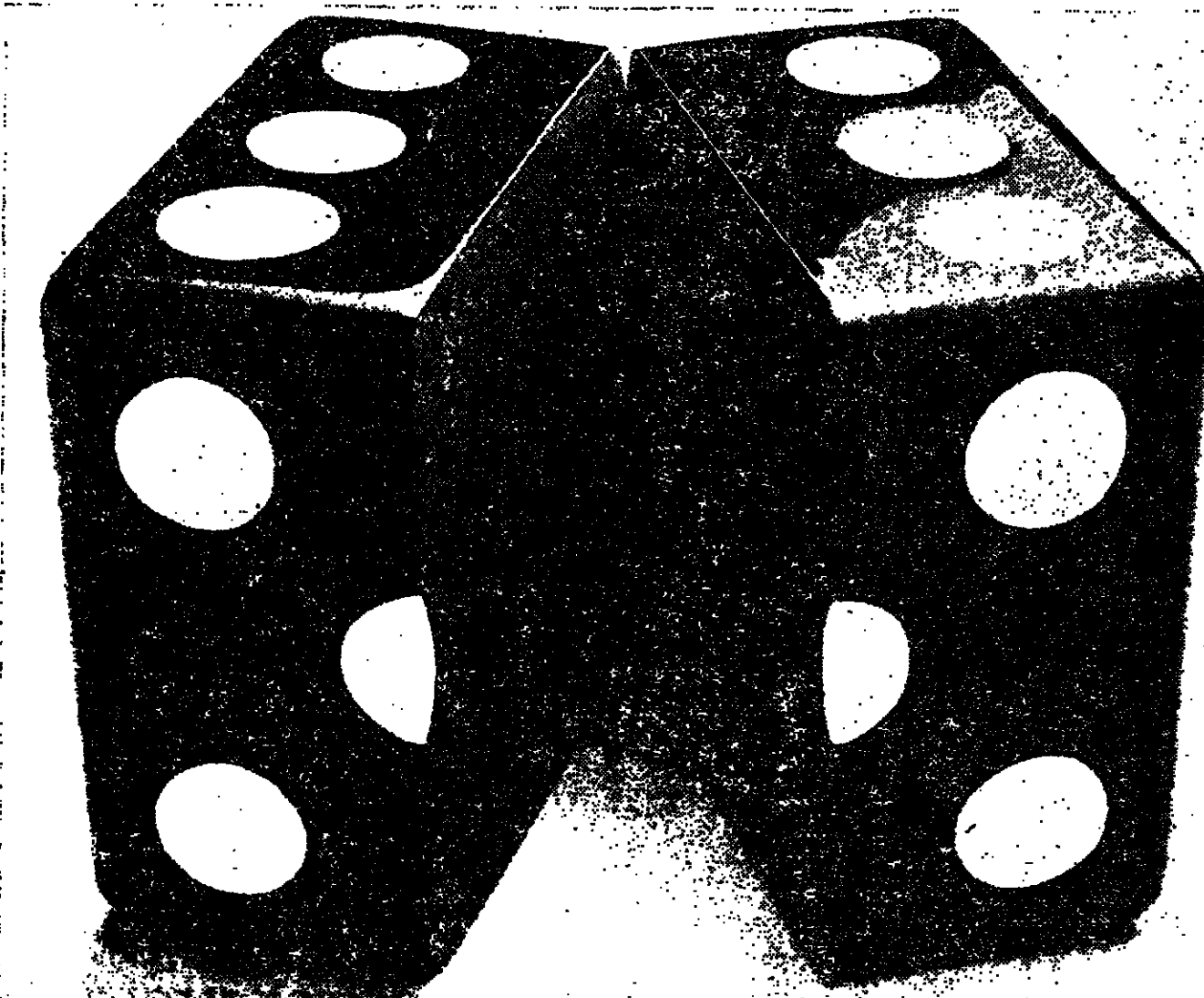
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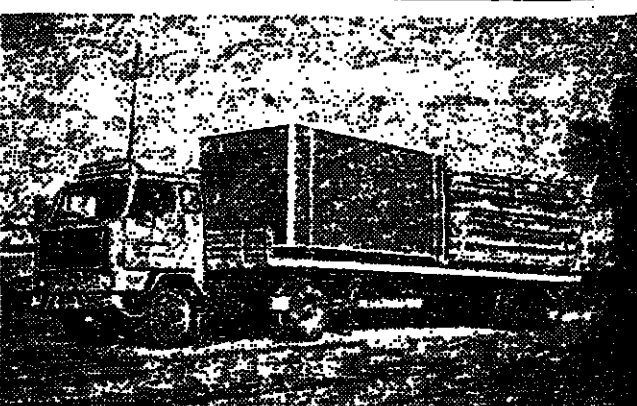
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THE FINANCIAL TIMES

THURSDAY MAY 6 1976

11

REACTIONS TO THE PAY DEAL

Management incentives lack worries industry

FINANCIAL TIMES REPORTER

WHILE BROADLY welcoming yesterday's pay and tax deal as an effective step in reducing inflation, industry last night expressed considerable reservations about its effect in reducing management incentives and controlling the squeeze on the skilled worker at a time of economic upturn.

There were also worries among the lower-paying industries, such as clothing, catering and food distribution, that the minimum £2.50 wage rise could lead to a disproportionate rise in the costs of their industries, which tend to be labour-intensive.

The Confederation of British Industry, which has pressed for a wages policy that would halve the rate of inflation again in the next round, and which has argued strongly for there to be as little room for drift as possible, said it would ask its members to do all they could to make the settlement work.

It said, however, that the "structure of the pay deal is most unfairly weighted against middle management, the very people on whom so much of our industrial recovery depends and who have already had their living standards savagely and disproportionately cut."

The CBI also urged once again the Chancellor to fulfil his promise, renewed yesterday, of modifying the price code to encourage investment in the new round, and which has been argued strongly for there to be as little room for drift as possible, said it would ask its members to do all they could to make the settlement work.

The theme of middle management incentives was also taken up by the Association of British Chambers of Commerce.

Differentials

The pay deal had "significantly failed to restore differential salary levels in upper and middle management," it said. "The Chancellor's action may well do some way to halving inflation but it cannot have gone any way towards injecting management incentives into British business."

The British Institute of Management, whose recent survey showed a 13 per cent. fall in real incomes among managers, said: "We regret that the situation does not allow for any greater improvement in the remuneration of managers, upon whom the constraints have already borne very heavily."

Among individual sectors of industry most concerned about the labour problems which the deal may throw up was engineering.

The Engineering Employers' Federation, representing 5,700 engineering companies, was particularly disappointed that no percentage element was included.

"This means that differentials—which were pretty seriously eroded under the last stage of the policy—will be badly affected again."

This was creating two problems in particular for the engineering industry. Labour relations at plant level become more difficult because skilled men felt hard done by when unskilled people earned more or less the same pay. Also, recruitment became more difficult. As an industry, in spite of the recession, engineering is still short of skilled men.

The EEF believes, however, that the package will help to contain inflation and this will help the industry become more competitive with its overseas rivals.

There was a general welcome from the motor industry, though.

Rebate likely in August

The tax concessions will be back-dated to April, which means that taxpayers on PAYE can expect a rebate in the summer, probably August.

The size of the rebate depends on the individual taxpayer's share of the new allowances.

Crucial

The Shipbuilders and Repairers' National Association said the agreement offered the prospect of a sharp reduction in inflation which could be crucial for the future of shipbuilding.

Mr. Clifford Baylis, SRNA director, said the industry needed to be able to quote fixed price contracts.

Within textiles where the present 16.5 per cent. increase is the highest ever awarded by the industry in cash terms, the new ceiling has been given a broad welcome.

On the industry's calculations, a 16.5 per cent. increase of around 12.5 would mean about a 7 per cent. increase in labour costs—a substantial deceleration on present levels of wage inflation. It is also hopeful that the costs increase could be offset by greater output through greater use of capacity.

The settlement was welcomed tentatively by the British Plastics Federation which said the figures were within the limits it had been hoping for. Companies have been shedding labour over the past year but because of a result of the recession, productivity has fallen.

Mr. Chris Bromley, BPF deputy director operations, said that the industry was facing serious problems in material costs, and in returning to higher levels of stock in anticipation of improved demand.

Freedom

The Retail Consortium welcomed the agreement and hoped that it would lead to increased consumer spending.

It looked as though there would be freedom for an average 8-10 per cent. increase for retailing workers.

In the oil industry, Shell U.K. gave a qualified welcome: "Our employees' customers and shareholders' interests are best protected by an early return to a soundly based growth economy, with inflation brought under control. The simplicity of Stage

Two and its endorsement by unions and the CBI must be good news."

Shell said, however, that "the inequality of sacrifice borne by management-level staff should not be underestimated."

Esso said it was too early to take a considered view.

The National Federation of Building Trades Employers said that it found the deal "gravely disappointing" in some respects.

It represented a further decline in the potential reward for the skills and expertise of building management in the middle and senior executive grades, who were likely to look further afield for work, faced with such a lack of incentive at home.

Building industry workers will be among the last body of employees to accept a deal within the new guidelines as an agreement under the £6 limit was signed earlier because it is run for 12 months from June.

# Bewildered and bedazzled

BY PHILIP RAWSTORNE

THE PAY deal that Mr. Denis Healey presented to the Commons yesterday left the Tories bemused and Labour cheering. "What's your next trick?" cried one Tory MP, more in apprehension than anticipation.

And after the Chancellor had dipped into the contingency reserve and produced £35m. for school meals, some were plainly worried that it might be a General Election.

Sir Geoffrey Howe, the shadow Chancellor appeared hypnotised, if not entranced, by the deal which he reluctantly admitted showed every sign of realism. But had the Chancellor anything up his sleeve?

"Can you give us an absolutely candid assurance that you have entered into no kind of undisclosed or secret undertakings to the TUC which might restrict your freedom and your duty to the country?" he demanded, amid Labour derision.

"Have the grace to say 'well done,'" Dr. John Cunningham invited him, as Sir Geoffrey grudgingly poked at the package in the hope that it might turn out to be hollow.

There was nothing illusory about this agreement, Mr. Healey assured him—warmly congratulating him "on choking back his disappointment at our success." And, catching a sceptical glance from Mrs. Margaret Thatcher, the Chancellor suggested that it was time the Tories decided whether they believed in an incomes policy or not.

Mr. Anthony Grant (C, Harrow Cent.) at least appeared to recognise that the Chancellor had a policy by demanding how he was going to enforce it.

"By the support of working people," Mr. Healey retorted. "Support for the present agreement is more widespread at this stage even than support for the last one."

Mr. John Pardoe for the Liberals confirmed that, with his welcome for the agreement, though his generosity fell far short of the Chancellor's 4½ per cent., the country could not afford that sort of liberality, he complained.

With the former Chief Whip, Mr. Bob Mellish, leading the acclaim of the even a muted criticism was heard from moderate Labour backbenches, not the Labour Left.

If the Opposition was bewildered, the Left-wing was clearly bewitched by the TUC General Council's majority. And Mr. Healey quoting paragraphs of the TUC economic review from memory, kept them spellbound.

So bedazzled was the Commons in the end, that Mr. Robert Cant (Lab., Stoke Cent.) asked what the TUC, in its wisdom, thought about the trend in the money supply.

"That was not a matter which the realists of the TUC made a central issue in the discussions," said Mr. Healey, with a satisfied chuckle.

# Pay deal meets counter-inflation requirements, says Healey

BY JUSTIN LONG, PARLIAMENTARY CORRESPONDENT

ANNOUNCING the proposed new pay limit in the Commons yesterday, Mr. Denis Healey, the Chancellor, said that if approved by the TUC special conference, it could be expected to add on average about 4½ per cent. to wages and salaries.

He contended that this increase would come out of the week or month by month as 5 per cent. of his total earnings—represented by the £6 limit. It is intended to replace at the end of July.

The requirements of the counter-inflation policy would be met, and the conditional tax reliefs outlined in the Budget could be enacted in full.

"The new limit permits a maximum weekly increase of £4 and a minimum of £2.50, with a 5 per cent. limit on increases for those in the middle band of earnings."

The effect of the low upper limit is to reduce the impact of the new agreement on the pay bill to about 4½ per cent., and the Chancellor added: "I attach the highest importance to the clear and straightforward structure of this new pay limit."

It was widely expected that the deal would be a major breakthrough, and complexities in this second year of the policy, and I myself assumed that this would be so at the time of the Budget."

In fact, the structure of the new limit was in some respects simpler than the previous one, but the £6 limit without exceptions which in the current year had added appreciably to the pay bill.

"Next, there is no question of consolidating pay increases under the £6 policy into the basic rates. This alone would have added as much as 2 per cent. to the total pay bill."

Nor were special exceptions proposed for productivity bargains. There was no loophole for rectifying "what many people

# Howe seeks freedom of action assurance

BY PHILIP RAWSTORNE

Sir Geoffrey Howe, shadow Chancellor, said that the figures introduced in a fairer sense of realism than prevailed in the disastrous year of the social contract when the entire nation was taken for a ride.

Labour backbenchers shouted angrily when Sir Geoffrey called for a candid assurance that you have entered into no kind of undisclosed or secret undertakings to the TUC.

But he continued "... which might restrict your freedom and your duty to the country to take whatever steps may be necessary still further to reduce public spending in the year that lies ahead."

He asked whether the figures the Chancellor had outlined were for negotiation or entitlement.

If people were to be entitled to the minimum of £2.50 a week, the deal would be consistent with the rest of the policy.

Sir Geoffrey declared: "The House will be surprised that the area of 3 per cent. is wide enough to include the figure of 4½ per cent. and surprised to hear you state that this is more simple than the £8 limit."

He wanted to know the effect of these proposals on the level of demand in the economy and called for an assurance that they would not add to the inflationary pressures later in the year.

Sir Geoffrey said the most serious aspect of the Chancellor's statement was the severity of the upper limit of £4 a week. Those earning more

# Mellish applauds trade union patriotism

BY PHILIP RAWSTORNE

Mr. Robert Mellish (Lab., Southwark) said the trade union patriotism was not likely to be a significant factor when the nation was in real crisis they were prepared not only to show statesmanship but also real patriotism.

But many ordinary people found it difficult to understand why so many price increases should come from industries over which the Government had a measure of control, such as the Post Office and railways. The Chancellor should make it clear the Government was not only aware of the problem but trying to get on top of it.

Mr. Healey said everyone, including the trade unions, agreed it was desirable that nationalised industries should pay their way. The price increases had largely been due to increased oil costs and wage increases. "We must enable them to make a contribution to the national economy on the same basis as any other industry."

Mr. John Pardoe, Liberal economic spokesman, said some MPs had at least hoped that agreement would be reached and were glad it had been reached. He urged Mr. Healey to state clearly that however satisfactory the deal might be, it was unfortunately 4½ per cent. more than the country could actually afford. It would either have to be borrowed or printed.

He asked by how much the Chancellor expected the deal to cut the rate of inflation by 1977 and how much it would add to the total of public sector salaries.

# Tory hopes put to test in council elections

BY RICHARD EVANS, LOBBY EDITOR

THE FIRST national test of Metropolitan districts, the Conservatives nine and Labour, the Tories and the Liberals are each the largest party in one of the remaining three where there is no overall majority.

By any normal yardstick, it should be the Tories' year. Labour has been in power nationally for two years and those councillors retiring this year were elected in 1973 when the fortunes of the Heath administration were at a low ebb.

But the Conservatives appear none too confident of sweeping the board, partly because of the possible "honeymoon" period still being enjoyed by Labour following the election as leader of Mr. James Callaghan, and partly because polling takes place only the day after the agreement on wages has been concluded between the Government and the TUC.

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## FINANCIAL TIMES REPORT

Thursday May 6 1976

# Guy's Hospital Tower

Guy's Hospital Tower, another landmark on London's South Bank, is the second stage of an impressive development programme. Besides the hospital, the 30-storey building houses new facilities for the medical school.

## Looks belie the quality

By H. A. N. Brockman  
Architecture Correspondent

TWO POINTS must be made about this phase of the Guy's Hospital development before describing the building and its functions.

The first concerns the stupidity of the planning authority, which insisted, at an early stage, that the whole structure should, on plan, be sited on the same axis as the nearby Southwark Cathedral and the closer tower in the forecourt of London Bridge Station. The result is an awkward and, therefore, expensive junction in the lower storeys, where the building is connected with New Guy's House. This condition is made doubly absurd as the axial relationship of this tower with the other two buildings can only be appreciated when looking at a large-scale ordinance survey of the area. It was self-important planning accommodation.

clap-trap, made even more ridiculous by the fact that the station forecourt building is on a cranked plan and that a recently finished high building above London Bridge Station itself bears no obvious siting relation to any building around it and presumably was approved by a later and perhaps more sensible planning officer.

The second is a criticism of the hospital tower—which is in two parts, one higher than the other. The higher, at over 470 feet (144 metres) emphatically dominates its surroundings. The aesthetic treatment is, however, unfortunate. The crowning feature comprises a projecting cantilevered lecture theatre with the upward sloping floor as the underside of the cantilever. Over the two floors above an upward roof-slope in the return direction culminates in a group of chimney flues.

The whole, functional and powerful as it may be, appears unwieldy for such an important exclamation mark in this closely developed townscape. But just as a good actor whose features happen to be ugly can move his audiences, so the performance of a complicated building such as this can, by its internal excellence, prove its humane mission!

The general planning and design of the tower and its interior is, however, a very different matter. Polley dictated that all the clinical services of the hospital should be located on the eastern half of the site, leaving the very fine older buildings, dating from the early 18th century, free for staff living quarters and teaching.

The reason for the extreme height of the tower arose principally from the limitations of the site and the need to put upon it a large number of functions. These comprised the Dental Hospital and School, and Departments of Clinical Pathology, Paediatrics, Obstetrics, Diagnostic Radiology, the Evelina Children's Hospital, Theatres and Surgical Intensive Care Unit and Research Laboratories. In addition there was an urgent need for a renewal of the boilers.

### Linked

Of the two linked-towers the lower contains about half the space of the larger, which is almost entirely given over to working space and is known as the User Tower. The smaller, the Communications Tower, is largely occupied by lifts, service ducts and boiler flues and will act as the hub for future development, linking with new extensions now being planned as it does with the existing buildings.

The User Tower is planned with an almost continuous band of accommodation round two central cores. The Dental Hospital and School is housed in the top nine floors, sub-divided by chest-high partitions to form individual dental surgeries for practical work by the students. Each is fully equipped and all are constructed over a demountable floor containing the service distribution pipes to dental and service units, enabling maintenance and repairs to be carried out with minimum disturbance.



The User Tower, with Guy's old building and spire in the foreground.

Wards on the lower floors for track form with multi-bed areas in-patients comprise self-contained groups around the staff base. Tained units for obstetrics and Service areas are in the centre paediatrics. In the majority of the building and the reception floors are planned in race tion and day areas at, the each corner of the User Tower.

southern end of ward floors. There are six floors of clinical and research laboratories with central wash-up, sterilisation, changing accommodation, administrative offices and common rooms. A standard bench system has been used for all laboratories.

The services design is of paramount importance in such a building as this. A dominating factor was the need for complete use, linking over 70 essential boiler replacement planned on the ground floor with a large plant room in the basement. A high temperature water system was adopted, water in the plant being kept under pressure so that it can be heated well above boiling point for distribution in a super-heated state. Chilled water for the air conditioning system is provided from two large refrigeration units adjacent to the boilers on the ground floor. The latter area is exposed to the view through storey-height glass walling and provides an interesting and, indeed, instructive introduction, particularly at night.

As a corollary to this air-conditioning provision the external design of the building includes overhanging narrow balconies (which incidentally facilitate window cleaning and fire-fighting) providing shade to the windows below them. It was shown that by this device the cost of the balconies could be met by a saving on the capital cost of engineering plant.

The central structural cores carry mainly vertical air distribution ducts and local air conditioning zone heater and cooler batteries on each floor, other services being carried in smaller vertical ducts; there is one at each corner of the User Tower.

The electrical supply is brought in and distributed at high voltage and there are nine transformers located on the 1st, 19th and 20th floors. Four diesel-driven generators have been installed to come into service automatically in an emergency.

Communications include an intercom system specifically for engineering and maintenance use, linking over 70 essential points with a control office on the ground floor.

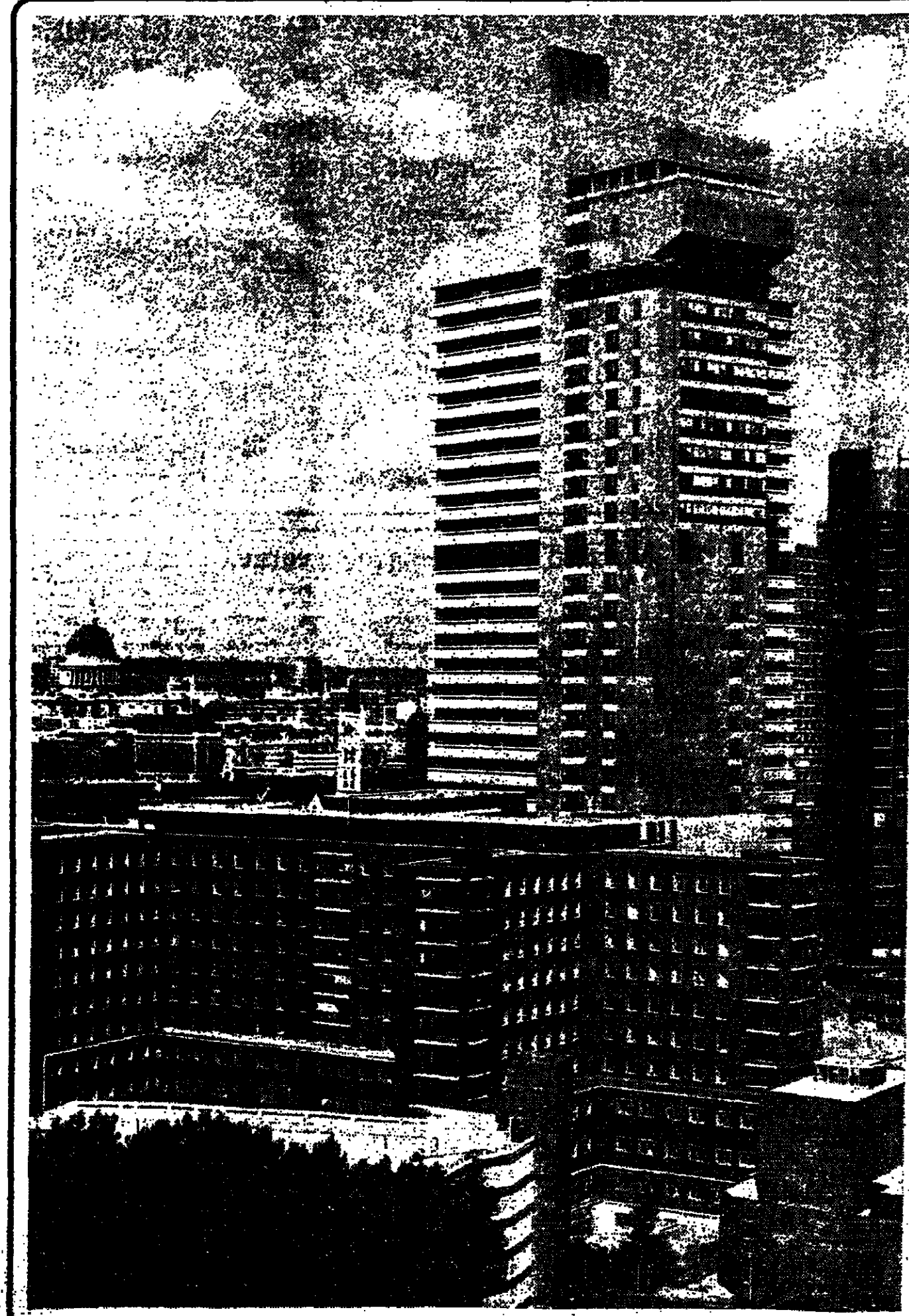
### Maintenance

Everything possible has been done to avoid the need for expensive maintenance in the future. The ribbed concrete on the communications tower is formed from storey-height shuttering providing a good appearance which will weather well. Balcony and floor panels are precast with a Norwegian spar aggregate. Double-glazed windows and doors have maintenance-free frames.

Interior finishes are simple but of high quality, reducing routine maintenance and cleaning by the use of self-finish materials. There is no surface panelling.

### DESIGN AND CONSTRUCTION

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Structural Engineers:	R. Travers Morgan and Partners
Services Engineers:	L. J. Schwarz and Partners
Quantity Surveyors:	Dauncey, Lynde, Mellstrom and Bass
Main Contractors:	Y. J. Lovell (London)



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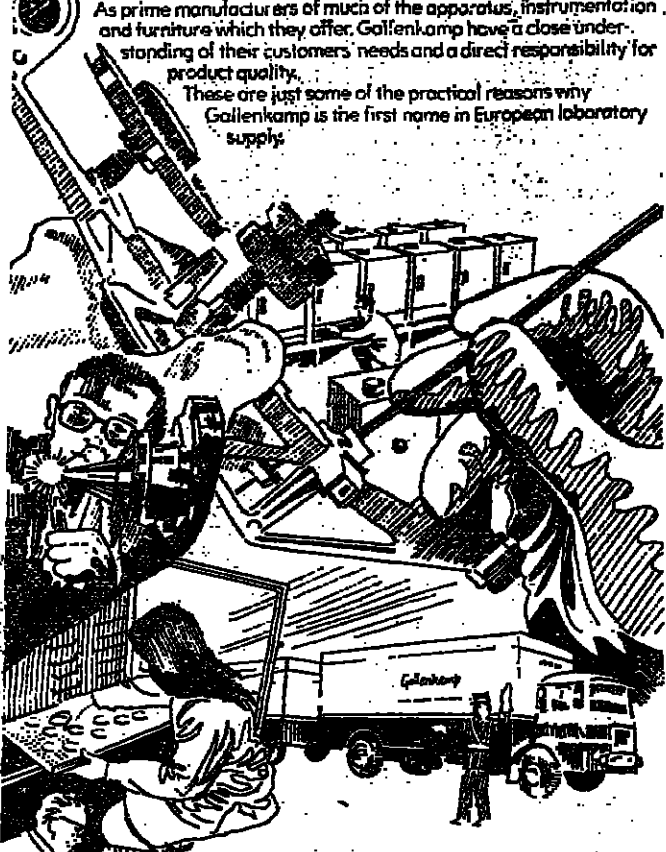
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## GUY'S HOSPITAL TOWER II

# Far-sighted plan bears fruit

LONDON'S NEWEST hospital building is the fulfilment of an idea which was born many years ago in unexpected circumstances. In 1940, as London reeled under the Blitz, a dedicated group of men at Guy's Hospital in Southwark laid the groundwork for a grandiose rebuilding scheme first mooted before the war.

Section by section they bought up the growing wasteland of rubble around the hospital and provided for the future the most vital ingredient of any development—several acres of prime building land. The present administrators admit they have good reason to be grateful to their far-sighted predecessors. "We are greatly envied by other hospitals," said Mr. Peter Chapple, hospital administrator of patient services, and, until last summer, planning officer for major redevelopments. "Other city hospitals which want to rebuild now are faced with land problems. They are surrounded by expensive real estate. Very often the only solution is to move out of town."

The first stage of the Guy's Hospital redevelopment programme, a new surgical block, was completed in 1961. To-day the second and more impressive stage reaches fruition when the Queen officially opens one of the South Bank's latest landmarks—the tallest hospital building in Europe and known as Guy's Tower.

The 30-storey block, completed at a cost of about £15m., provides a purpose-built home for many different departments which have grown up during the hospital's 250-year history: some of them, like the children's wards had, until now, been housed in Victorian surroundings some distance from the main hospital.

But in relation to its size the Tower in fact contains few hospital beds. For besides providing a normal hospital service for the people of Southwark, Guy's is also one of the largest teaching hospitals in the country, producing more qualified doctors and dentists each year than any of its rivals.

### Research

In consequence, research and teaching departments occupy much of the Tower. The top floor, for example, is entirely devoted to a lecture theatre seating 150 people. Two floors have been allocated to paediatric research and on other floors there are gastro-enterology and renal units, and the haematology research group, among others. Slotted into strategic floors of the Tower between the various research departments are the hospital wards. Thus, the children's department has been sited on floors immediately above the paediatric research unit, with the maternity department and gynaecological ward on top.

In addition, the Tower contains the dental school, three new theatres, an intensive therapy unit, an X-ray department, telephone exchange and boiler house serving the whole of the hospital.

Inside, efforts have been made to produce a bright and cheerful atmosphere. Splashes of colour are provided by the furniture and by large fabric wall hangings in bright, geometrical patterns. These can easily be moved around to give variety. The exception is the children's department where glowing primary colours have been used on some of the walls. There, the fabric panels compete for space with the children's own drawings, stuffed animals and murals of fairy-tale castles. An extra touch is the use made of natural greenery with rubber plants and aspidistras flourishing in every available corner.

The building of the Tower



Practical work in the dental school.

has allowed Guy's Hospital to introduce modern techniques and facilities which have produced a variety of benefits—some of them unexpected. The new equipment in the X-ray department, for example, has proved so effective that the hospital has been able to close down the old unit—an event not anticipated until the third and final stage of rebuilding.

Powerful generators reduce exposure time, and thus radiation to the patient, while sophisticated machinery ensures precise photography and means the patient does not have to wait while the plate is being developed. "We have been able to close down the old unit because of this saving in time," said Mr. Chapple, "and we have reaped a dividend in the saving of equipment and staff."

A day-case theatre in the dental school has produced similar benefits. Under the old system, if a patient needed a minor dental operation he had to be admitted to a valuable hospital bed and fitted into the normal operating theatre schedule—a procedure which could take two or three days. Now he can have his operation in the dental school's own theatre and be in and out in the same day.

In the children's burns unit a method of preventing cross-infection by careful regulation of air changes has been incorporated within the air-conditioning system.

Finally, an interesting by-product of the new telephone exchange is that the hospital now has what it calls a "dial-a-bleep" system by which the staff can talk directly to one another throughout the hospital. But the Tower has probably made the most dramatic impact on the lives of the dental students and their patients. Their former home, built when the school opened in 1889, had become extremely cramped. The number of patients able to be treated had increased from six to 100 but the building had remained fundamentally unaltered. Now, lifts whisk patients and staff non-stop to the new unit at the top of the Tower where the students can practise in comfort. The number of dental chairs has been doubled and the facilities provided include laboratories and workshops.

There is also a special children's dental department guarded at the entrance by two life-size rag dolls—and if that is not enough to distract the young patient there is always the view over the river to help take his or her mind off the job.

Lower down the Tower is the children's hospital with its 120 beds. In keeping with the weight doctors attach to family relationships these days, 30 single rooms have been provided for mothers and children. In addition there is also a parent's flat containing three beds, a sitting room and a small kitchen. It is used by mothers whose babies need special treatment after birth. Shortly before the baby is discharged, the mother comes to stay in the flat and is trained in the special care her baby may need as a result of its condition.

The proximity of the paediatric research department to the children's wards has brought a number of advantages, one of which concerns the researchers' work on hereditary diseases. Part of that work is to help parents come to terms with the situation when a child is born with a genetic or hereditary disorder. In the Tower, researchers have found it easier to establish a fruitful relationship with the parents because they are often in close and constant contact.

### Personal

The emphasis on personal relationships is also evident in the design of the maternity department where great care has been taken to ensure that the mother feels at home. After the birth, the baby usually remains with its mother. Nursery space is provided but the idea of separating mother and baby is very much a thing of the past here.

The physical comfort of the patients is also well cared for. The wards are small and thoughtfully though not lavishly equipped. The beds, for example, are a reasonable height from the floor which is an improvement on the excessively high beds in older hospitals. For treatment or bedmaking, they can be raised hydraulically. And an unusual innovation is that all the toilets are equipped with bidets.

The big bonus for anyone working in, staying in or just

## LA MONT HOT WATER BOILERS at GUY'S HOSPITAL

The largest high temperature water boilers in a hospital in Britain have been installed as part of the second phase of the rebuilding of Guy's Hospital, London. Each of the four hot water boilers are LA MONT controlled circulation units of the low outline type, designed for a maximum continuous duty of 35,000,000 B.T.U./hr. and a flow temperature of 360° F.

Consulting Engineers: L. J. Schmitt & Partners  
Mechanical Services Contractor: Haden Young Limited

### La Mont Steam Generator Limited

Specialist designers and manufacturers of controlled circulation boilers and associated equipment for hot water systems.  
Heather Park Drive, Wembley, Middlesex. Tel: 01-903 3333

## KaVo quality dental chairs



supplied to Guy's Tower Block by  
KAVO DENTAL LTD, UK

Merrilyn Thomas

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From Jamaica to Java Dawson-Keith have supplied a complete range of power 1kVA to 1500 kVA.

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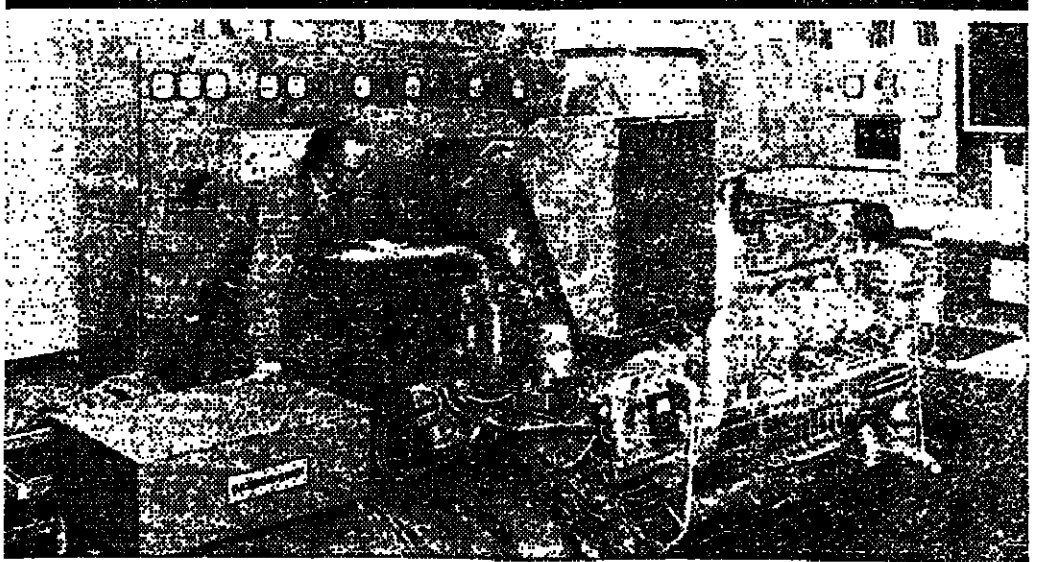
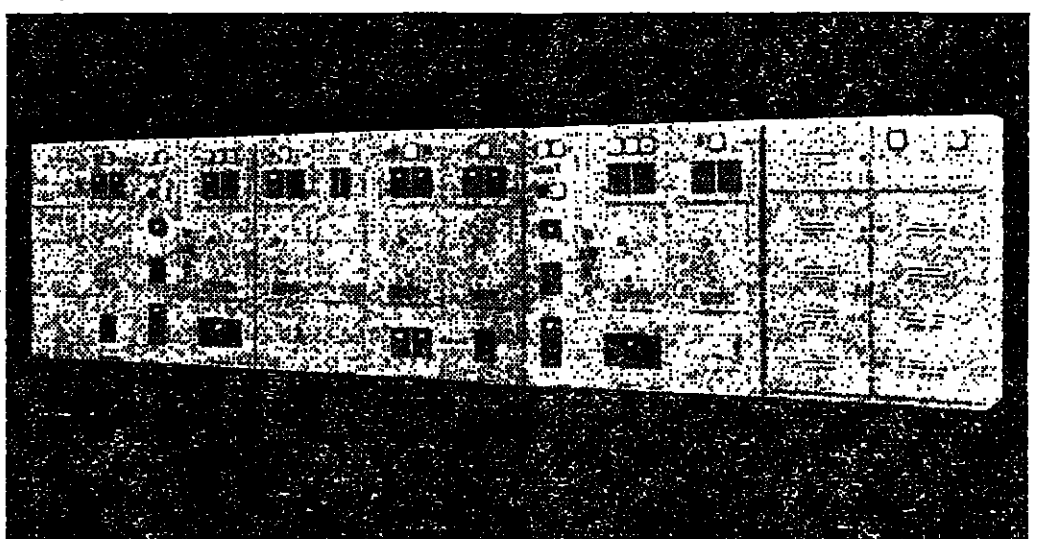
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DuPont Daylight Systems



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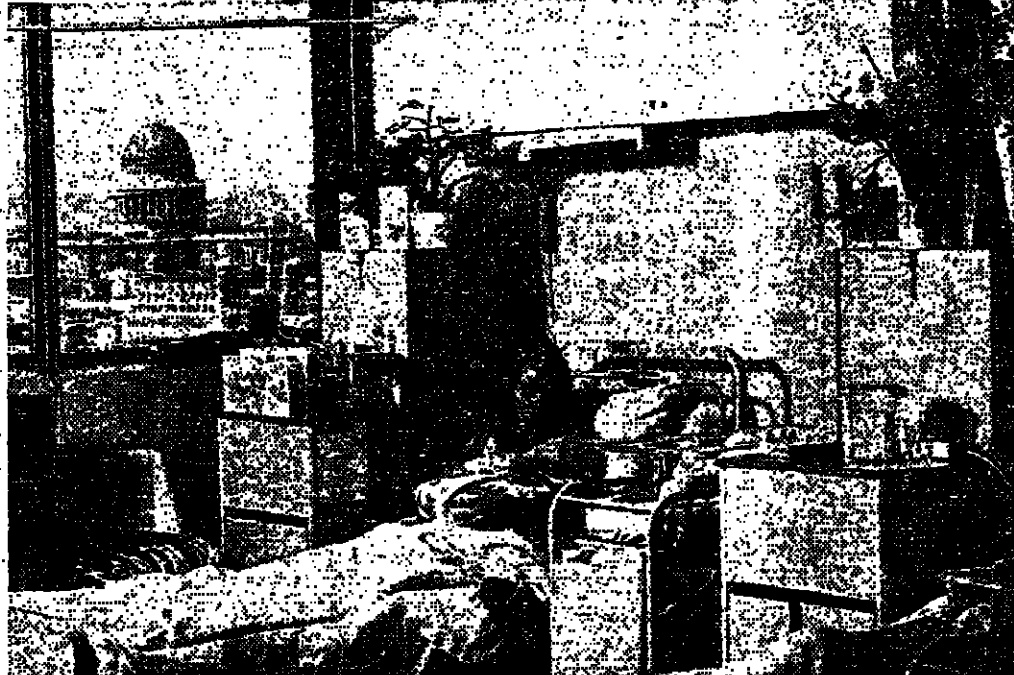
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Bowater Flexpipe Ltd., Lever Street, Bolton, Lancs. Tele. No.: Bolton 26241.



Panoramic view of St. Paul's Cathedral and the City from a maternity ward.



# ACCOUNTANCY APPOINTMENTS

A substantial group providing a capital equipment contracting service to major industrial groups and retail outlets requires a

## GROUP FINANCIAL ACCOUNTANT

This is a unique opportunity for an ambitious and fully qualified C.A., A.C.A., or A.C.M.A., to enter industry at a senior level where he/she will be expected to shoulder considerable responsibility. A positive personality and promotion potential are essentials. The remuneration is generous and will match proven ability.

London Age 25-30 Salary circa £6,000+car

Applications quoting EB25 should be forwarded in the strictest confidence to:

Robin R. Whalley,  
INTERNATIONAL APPOINTMENTS (LONDON) LTD.,  
Calder House, 1 Dover Street, London W1X 3PJ.  
Cables: Interappt. London. Tel: 01-629 6867.

## One of the biggest Accounting Reorganisation jobs in manufacturing

Leyland Cars, one of the largest manufacturing organisations in the country, is now implementing an ambitious 10-year business plan, which includes programmes for new models, plant modernisation, employee participation, and improved financial control and management information systems.

Central to the success of this plan is the improvement of our financial information base through a major rationalisation of the accounting function. To pilot this programme in Leyland Cars we wish to appoint a determined and persuasive accountant to be responsible for

- \* Finalising the rationalisation plan, developing detailed projects for each stage of the plan, establishing all timing targets and controlling implementation.
- \* Development of accounting standards, systems, policies and procedures.
- \* Preparation of consolidated monthly and annual accounts.
- \* Liaison with our external Auditors and Bankers.

Applications are invited from professionally qualified accountants (male or female) whose record indicates that they have the motivation and drive to successfully handle this project. Experience, at both plant and central level, of operating in a multi-plant manufacturing organisation and in accounting reorganisation using advanced computer techniques in a fully integrated system, are essential requirements.

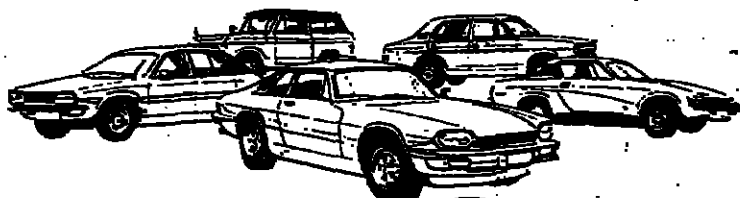
It is unlikely that anyone under the age of 35 and earning less than £8,000 p.a. will have the required depth of experience.

An attractive and competitive salary and benefits package, including car and 'top hat' pension scheme, will be offered.

The position is based at the Leyland Cars headquarters in Coventry and relocation expenses will be paid where appropriate.

Those interested should forward a detailed C.V. to:

Graham Hay, Personnel Planning Manager, Leyland Cars,  
Leyland Coventry House, Station Square, Coventry CV1 2FT.  
Or telephone Coventry (0203) 70101 Ext. 376.



**Leyland Cars**

## mh Mervyn Hughes Group

59 St. Mary Axe, London, EC3A 8AR

Management Recruitment Consultants

01-283 0037  
(24 hours)

## Treasury Management

£5,000 plus

London

Due to a promotion, an opportunity has arisen for a young Corporate Financial Management Executive to join the London Treasury Department of a major International Company.

This appointment calls for a working knowledge of the money markets and a general understanding of corporate finance. The executive appointed will be expected to make an immediate contribution to financial policy and develop to shoulder a significant increase in management responsibility within a short term. Close collaboration with the Treasury Department in North America is involved. Ideally, candidates should be graduates (economics or business studies) and/or professionally qualified, under 33 years, with experience in banking or the treasury department of a large company. Salary is negotiable according to qualifications and experience. Applications in strict confidence under reference no. 5677A to D. G. Muggersidge.

## Management Accountant

Qualified Accountant, male or female, required by Lloyd's and International Insurance/Reinsurance Brokers whose financial departments are based in Chelmsford, Essex.

It is desirable that candidates for this position have some experience in Insurance/Reinsurance and should be in the age range 25-30 years.

Salary by negotiation, subject to experience. Other benefits include non-contributory pension scheme, luncheon vouchers and bonuses.

Please write for application form to:  
Mr. T. Monaghan, Financial Director,  
Thompson Graham & Co. Ltd.,  
Elizabeth House, 28, Baddow Road, Chelmsford, Essex.

## ADMINISTRATIVE & FINANCIAL MANAGEMENT

British Olivetti Limited, a member of a highly progressive multinational organisation specialising in the sale of mini-computers and data processing equipment, is currently reorganising its administrative functions and is seeking to fill three key positions, all reporting to the Head of Finance and Administration.

**Supply Manager**

Main responsibilities include:

- Processing of customers' orders and follow-up
- Placing orders on suppliers and subsequent follow-up
- Warehousing
- Transportation
- Import/Export

The above responsibilities involve all important aspects of the Company namely machines, supplies, accessories and spare parts. Experience of a similar nature with a large company facing the problems of changing markets and products is essential.

Applicants must also be members of the Institute of Purchasing and Supply and have had experience of import and export procedures. It is unlikely that those under 30 years of age will have had sufficient experience.

**Manager, Financial Accounting**

To be responsible for:

- Sales Ledger
- Bought Ledger
- Nominal Ledger
- Credit Control
- Cashiers

The wide scope of this position requires a Manager with at least 5 years large company experience and a suitable accountancy qualification namely A.C.A., A.C.C.A. or A.C.M.A.

**Business Financial Analysis**

Major activities will include:

- Forecasting
- Budgeting
- Standard Costing
- Management Reporting
- Variance Analysis

Experience in a large company of standard costing and budgetary control is essential together with a suitable accountancy qualification namely A.C.A., A.C.C.A. or A.C.M.A.

Salaries and fringe benefits will reflect the importance of these positions and for those men/women who can demonstrate suitable ability, future prospects are excellent and will be of interest to those currently earning between £5-£7,000 p.a.

Please write in strict confidence with details of qualifications and experience to:

W. B. Carr, Personnel Manager,  
British Olivetti Ltd., 30 Berkeley Sq.,  
London W1

**olivetti**

## Financial Management for a famous name Deputy to the District Finance Officer

£6456-£7797

We need a qualified accountant with considerable experience inside or outside the Health Service, to organise and control the financial management and accounting services for a Health District in South-East London that includes Guy's Hospital—one of the most famous teaching hospitals in the world.

This involves leading a team which is introducing new systems in the fields of financial planning, functional accounting and budgetary control. In all aspects of his/her work, he/she will be responsible to the District Finance Officer and deputise for him over the full range of his duties. He/she will draft annual revenue and capital estimates, supervise the preparation of financial records and initiate investigations into economy measures and cost effectiveness.

Guy's Health District, whose revenue budget is £25m., includes three hospitals and numerous health centres and clinics serving a population of 172,000.

Further details and an application form available from the District Personnel Officer, Guy's Hospital, London, SE1 9RT. Telephone 01-407 7608 Ext. 3467. Closing date 21st May, 1976.

Guy's Health District

## INTERNATIONAL AMERICAN GROUP

(Top 500 Fortune) wishes to strengthen its CORPORATE INTERNATIONAL AUDIT DEPARTMENT with Paris based H.Q. and seeks a

## MANAGEMENT AUDITOR

The selected candidate will be CA, ACA or equivalent and will have already a previous European experience (1-2 years) of auditing techniques in a professional office or an international company. He will be preferably of English mother tongue; a working knowledge of German and/or French will be an advantage.

In the first place, he must be prepared to travel frequently on missions throughout Europe, followed by further investigations at international level. An assignment in the U.S.A. is possible for a top professional.

This challenging, well remunerated position will appeal to a young, dynamic, ambitious candidate. There are very good prospects within the Group Companies at financial management level.

Write with detailed C.V. quoting reference MAF/RB to T.A.S. 77 Rue la Boétie, 75008 Paris, who will forward to our Consultants handling this search. Full discretion is guaranteed.

C&S

City

c £8,000 + car

## CHIEF ACCOUNTANT (Insurance)

The Company: A major American group dealing in all classes of general insurance and reinsurance. The Position: Reporting to the regional financial controller, assuming responsibility for the financial and management accounting functions including the development of data processing accounting systems.

The Candidate: A qualified accountant (man or woman) who has sound and successful experience of accounting management and development. A background of insurance company accounting and an understanding of the use of data processing would be an advantage.

The position carries excellent fringe benefits.

Brief but comprehensive details of career and salary to date, which will be treated in confidence, should be sent to:

The Executive Selection Division - MFS5,  
Coopers & Lybrand Associates Ltd.,  
Management Consultants,  
Shelley House, Noble Street, London, EC2V 7DQ.

## MAJOR INTERNATIONAL SYSTEMS APPOINTMENT U.S. BANK

Our client is a leading U.S. Bank who is seeking to fill a senior position within its International Division Operations Group, based in London. The person appointed will have responsibility for co-ordinating the development and installation of major systems in three continents within the framework of the Bank's business, financial and operations policies. A significant amount of international travel will be involved.

The successful candidate for this position is likely to be aged between 28 and 40 and have the following background:

- \* Experience in all phases of the design and installation of banking systems at analyst and project manager level.
- \* A professional approach to computer systems development preferably with experience of IBM 370 hardware and software and of main computers.
- \* An MBA or accountancy qualification.
- \* A mature personality with considerable drive and tact which would enable the person to direct systems on an international level. Experience in systems consultancy at a senior level would be particularly relevant.

This position carries a substantial salary with attractive benefits. All applications will be treated in the strictest confidence and no information will be disclosed to our client without permission. Please write giving details of career and salary to date.

J.R.V. Counts,  
7 Wine Office Court  
London EC4A 3BY  
01-353 1858

**Career plan**

## Finance Managers-Australia

To \$A18,000 p.a. + Car Benefits

to join the finance staff of a major manufacturer and marketer of consumer durables in Australia. There are two positions available.

For the first, responsibilities will involve forward budget planning and the development and maintenance of budgetary controls for an operating division of the company. Because of the type of product and manufacturing activities involved, emphasis is placed on strong budgetary cost control and performance reporting.

For the second position, responsibilities will be associated with forward profit forecasting, profit performance reporting and the development of pricing policies for the full range of company products. These responsibilities also involve the financial analysis of new business proposals and the development of appropriate financial recommendations.

For both positions starting salary will be negotiated to \$A18,000 per annum plus valuable car benefits and up to date pension/insurance plans. Re-location assistance will be generous. The finance organisation of the company provides considerable opportunity for career progression.

Applicants must be qualified accountants. A sound knowledge of, and practical experience in, the application of progressive financial management practices is essential. Some experience in a manufacturing company is desirable. Age: mid twenties to mid thirties.

A representative of the company will be in the UK in early June for interviews.

Please write with full details. These will be forwarded direct to our client. List separately any companies to whom your application should not be sent. Ref. B.J211.

**ASL CONFIDENTIAL RECRUITMENT** 17 STRATTON STREET LONDON W1X 6DB  
A member of MSL Group International

## FINANCIAL CONTROLLER

(Director Designate)

c. £10,000 p.a. plus car

We are a substantial private company with a turnover in excess of £8 million (based South of Manchester) which is expanding rapidly, particularly in worldwide export markets.

We wish to appoint a Financial Controller, who, in addition to responsibility for financial matters, will be called on to assist in other areas of the company's activities to ensure that there are adequate controls and systems to enable continued efficient and profitable growth to take place.

The successful applicant will be a qualified Accountant with Senior Management experience, preferably in food manufacturing or similar industry. Experience of production accounting systems and industrial relations will be additional advantages.

Initial salary negotiable c.£10,000 p.a., together with a car, executive pension scheme, BUPA and other benefits. Assistance with relocation expenses if required.

Please apply in complete confidence to Box A.5547, Financial Times, 10, Cannon Street, EC4A 4BY.

## Group Financial Director Amman

£15,000-£20,000 free of tax

An international group based in Amman engaged in major development and construction projects throughout the Middle East and elsewhere in the world has reviewed its management organisation and decided to appoint a Financial Director to advise the Chairman on finance, accounting and taxation. Responsibilities will include

- development and operation of sophisticated financial planning and control systems
- managing the finances, the cash resources and the foreign currency of the group
- all aspects of group taxation
- project evaluation
- adherence throughout the group to agreed accounting principles.

The specification calls for a C.A./C.P.A. qualification backed by a business degree, experience at senior management level of international finance, of the construction industry, and preferably of the Middle East. Age - probably around forty.

The substantial salary will be enhanced by conditions of employment commensurate with the status of the job.

Please write in confidence for a job description and application form to David Prosser, Price Waterhouse Associates, Southwark Towers, 32 London Bridge Street, London SE1 9SY quoting MFS547.



# GENERAL APPOINTMENTS

GENERAL APPOINTMENTS  
ARE CONTINUED TODAY  
ON THE FOLLOWING PAGE

## Multinational Merchant Banking

We are seeking an experienced banker - probably aged 30/35 - to head our Business Development effort directed towards North America.

Multibank is owned 50% from the U.S.A. and we are expanding both commercial and investment banking business in North America where we already maintain a Representative Office.

Salary will be offered commensurate with experience and fringe benefits will be those normally associated with a first-class banking institution in London.

Applicants, male or female, may write in complete confidence, giving full details, to Mr. David E. Nye, Assistant Director & Secretary, London Multinational Bank Limited, 1 Union Court, Old Broad Street, London, EC2N 1EA.

## COMMERCIAL BANKING

### International Group - City

A new position has arisen in an expanding City bank for an energetic man or woman to assist members of the management. All-round experience of commercial banking in the international sense is sought. In particular, candidates should have covered most of the following areas in reasonable depth: mail and telegraphic transfers, collection and negotiation of documentary bills, documentary credits and ECGD financing.

Initial salary will be competitive in relation to experience but is unlikely to be less than £4,500 per annum. Other benefits include non-contributory pension, life and medical insurance, low interest house loan and incentive scheme.

Applications will be treated in strict confidence. Please write stating age, qualifications and how the experience requirements are met to: Mr. E. Cotter, Golley Slater & Partners Ltd., 125 High Holborn, London W.C.1.

## EXPERIENCED WRITER - INVESTMENT ANALYST

Wanted by Bristol based firm of stockbrokers. Should prepare and write well presented reviews of industries and companies from material already available. Apply:-

J. A. L. Timpson,  
Stock & Company,  
The Stock Exchange,  
London, E.C.2.

## GILTS PARTNER

We are very interested to hear from experienced gilt-edged brokers, in their early to mid thirties, who are now seeking the scope and rewards that partnership will bring.

The requirement is for high technical competence coupled with strength in selling to the institutions. Absolutely essential is the personal stature and maturity that a partnership appointment demands.

Please reply, in strict confidence, giving relevant details of background, qualifications and experience and quoting current earnings level, to Box A.5543, Financial Times, 10, Cannon Street, EC4P 4BY.

## ACCOUNTANCY APPOINTMENTS

**mh Mervyn Hughes Group**  
59 St. Mary Axe, London, EC3A 8AR  
Management Recruitment Consultants  
01-283 0037 (24 hours)

### Assistant Cash Manager

Circa £6,000

London

A leading British company with international interests wishes to appoint an Assistant Cash Manager. Ideally, candidates will have a knowledge of international finance gained in the Treasury Department of an international multinational company.

Aged 26-35, he/she will probably be a qualified accountant and will be conversant with banking procedures, capital markets, foreign exchange and cash management techniques, and used to working in various currencies. Applicants who have experience of financial accounting/financial management in a multinational company will also be considered. Duties will include the development and implementation of funding programmes, liaison with Banks, monitoring cash flow against budget, the development of forecasting and control systems, and maintaining the records of internal finance companies.

The appointment carries excellent fringe benefits including relocation expenses, bridging loan assistance, pension and subsidised BUPA. Write or telephone for a Personal History Form quoting reference 5675A to B. L. Taylor.

## Senior Financial Appointments Europe

The International Paint Company, a major international group with operating subsidiaries in 23 countries, has vacancies for Financial Controllers in its expanding operations in Germany, Portugal and Spain.

Candidates must be bi-lingual with good experience of the total accounting function, preferably at Financial Controller level or similar, in manufacturing industry in the appropriate country as well as in the U.K.

These positions offer excellent salaries and benefits associated with a major Group and would be of interest to men and women from the above countries as well as UK residents.



Please write giving full details to:  
D. C. Powell, Group Personnel Manager,  
THE INTERNATIONAL PAINT COMPANY,  
Henrietta House, 9 Henrietta Place,  
London W1A 1AD

## National Commercial Bank Limited (Incorporated in Zambia)

Require the following personnel for their Head Office and Branches all over Zambia:

### Assistant Chief Accountant

To assist the Chief Accountant in directing and controlling all bank accounting and will be expected to act in the absence of the Chief Accountant.

Salary  
K7,200.00 - K7,812.00 per annum.

### Organisation and Methods Manager

Must have several years' experience in planning, advising and implementing of programmes and systems to improve efficiency, save cost and time. Knowledge of computerisation will be an added advantage.

Salary  
K7,200.00 - K7,608.00 per annum.

### Inspectors

Must have several years' experience in Bank inspection and audit.

Salary  
K6,756.00 - K7,200.00 per annum.

### Reconciliation Accountant

Must have experience as indicated in "other" vacancies below.

Salary  
K6,756.00 - K7,200.00 per annum.

### Branch Accountants

Applicants must have had several years in Branch Accounting.

Salary  
K5,700.00 - K6,108.00 per annum.

### Other Vacancies

Applicants must have considerable experience in foreign business, would be responsible for supervising, balancing and reconciliation of all accounts; daily posting, Nostro and all other accounts maintained by the foreign department.

Salary  
K5,700.00 - K6,108.00 per annum.

### Benefits

25 per cent terminal gratuity on successful completion of three year contract.

### Housing

With basic furniture to be provided at rental of 12 1/2 per cent of annual salary payable monthly.

### Other inducements

Allowance of 25 per cent of basic salary and usual airfares, baggage allowance and educational allowances.

All applicants must hold Banking Diplomas. Present exchange rate is 1.18 Kwacha (approximately) to £1. For details apply in writing and in strictest confidence with Curriculum Vitae to:

The Manager  
National Commercial Bank Limited  
ZIMCO House  
129-139 Finsbury Pavement  
London EC2 1NA

## INVESTMENT STAFF MID-TWENTIES LONDON

Our client is a major investment institution controlling significant funds. They plan to increase their trained investment staff. Successful applicants (male or female) must possess a professional qualification and/or a good University degree and commensurate professional knowledge, acquired preferably through practical experience in portfolio management or investment research.

Salary is competitive and negotiable and there are attractive fringe benefits. Please write or telephone for an application form ref. 814 to:

W. L. Tait, Touche Ross & Co.

Management Consultants.

Executive Selection Division.

4 London Wall Buildings, London, EC2M 5UJ.

Tel: 01-588 6644

## Group Managing Director

for a £24m. turnover group of privately-owned companies with an enviable growth record having interests in hydraulic engineering, electronics and distribution services.

The MD, responsible to the Chairman and the Board, will have the task of giving practical guidance to subsidiary company executives, expanding the Group and raising profitability.

Candidates aged under 45 should have experience of general management, including small-company engineering and a record of profit-accountable success. Strength in finance and sales is essential.

Salary negotiable around £12,000; usual benefits; attractive Southern location.

Please send full career details including salaries - in confidence - to S. W. J. Simpson ref. B.38200.

This appointment is open to men and women.

## MSL World wide

Management Selection Limited  
17 Stratton Street London W1X 6DB

APPOINTMENTS  
ADVERTISING  
RATE £10.00 PER SINGLE  
COLUMN CENTIMETRE

## Financial Consultant

This new position which will ideally be filled by an MBA in finance (aged 27-30) with at least two years' experience in merchant banking or financial consultancy who is fluent in either French or German as well as in English.

You would be expected to work on consulting engagements for corporate clients, and subsequently to take a management role in producing them.

In addition, you will be responsible for helping to develop younger consultants. Marketing financial consulting services will eventually be shared with the head of the Financial Consulting Department to whom you will report. On average, travel will take up one week a month from the London base.

Success in this position will lead to rapid advancement and promotion could be in the UK or overseas. Salary is negotiable - and very competitive - and there is an excellent range of benefits.

Please write, with full career details, to:  
E. B. Powell, Executive Director,  
Citicorp International Bank Limited,  
73 Strand, London WC2.

Associated Newspapers Group Limited

**Investment Analyst**

An investment analyst is required to join the Investment Department of a large Pension Fund which is administered by this Group of Companies.

The successful candidate will probably be in the early or middle twenties with a professional and/or academic qualification and at least one year's experience in the U.K. Equity sector.

Detailed applications in writing should be made to P. J. Saunders, Director, Associated Newspapers Group Limited, Carmelite House, Carmelite Street, London, EC4Y 0JA.

## SENIOR INVESTMENT ANALYSTS

GRENELL AND COLEGRAVE

We wish to expand our research capability by the appointment of two senior analysts. Candidates should have several years' experience following sectors on an institutional basis, be market orientated and have achieved recognition as being among the leaders in their field. Preference will be given to specialists in Engineering, Construction or Overseas Traders although certain other sectors are of interest. The rewards and prospects will attract the calibre of person we seek. Replies, which will be treated in strict confidence, should be addressed to the Head of Research at 62, London Wall, London, EC2R 7JL.

## Assistant to Finance Manager

We are a major building and civil engineering contracting company, undertaking multi-million pound contracts in many different countries.

Our Finance Manager requires an Assistant to help him with the work of:-

- the provision of Civil Engineering contract guarantees.
- the control of funds on overseas contracts and in the U.K.
- obtaining exchange control permission.
- obtaining ECGD construction works guarantees.
- the provision of banking and finance facilities.
- providing schedules and up-dating records.

Ideally, we would like someone whose experience will enable them to contribute immediately in all these areas. However, we would also like to hear from younger men and women who have a specialised knowledge of one or two of the subjects and who are looking for a greater challenge.

We offer an attractive salary, depending on experience, qualifications and age, together with good company employee benefits.

Please apply, giving full details of your education and career to:-

Gordon Bettridge, Personnel Officer,  
Tarmac International Limited,  
79 New Cavendish Street, London W1M 7RB.

## Tarmac INTERNATIONAL

## CORPORATE PLANNING ANALYST

An exceptional senior appointment for an Economist/Accountant

Norwich

Required by the Ready Mixed Concrete Limited Group of Companies, a major British Public Company with an impressive growth record and a worldwide turnover in excess of £400 million.

The successful applicant will report to the Group Corporate Planner (who in turn reports directly to the Group Chairman/Managing Director), and be expected to demonstrate considerable imagination and business acumen in undertaking detailed financial and commercial analyses of a wide range of business and investment situations.

Applicants will hold a good Economics degree (or similar discipline) together with a recognised accounting qualification and have had several years' experience within a relevant financial or analytical role. Experience of an international business environment and a familiarity with financial modelling techniques would be distinct advantages.

Salary will reflect the importance being attached to this position and a Company car will be provided.

Please write, in strict confidence, stating age, qualifications, career to date and current salary, to K. W. Hill,

Ready Mixed Concrete Limited  
RMC House, High Street  
Folkeham, Middlesex TW3 4HA

## FRENCH SPEAKING Commodity Trader

to be based in Paris, required by well established company. Good salary is offered. Please write with full career details to Box A.5541, Financial Times, 10, Cannon Street, EC4P 4BY.

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## Which? backs plan for third class air travel fares

A THIRD-CLASS air fare combining the local greengrocer instead of a supermarket. To visit the local butcher and fishmonger will also make the housekeeping money stretch and freezer centres are cheaper for frozen food than supermarkets. The magazine, which says that instead of outlandish discount tickets, which undercut the airlines own charges, such tickets should be built into the legitimate fare structure.

In spite of airline efforts to stamp out unauthorised discounting, the practice is still widespread, with enormous savings possible on some routes, it says.

Some proposed limitations on the scheme, produced by the Committee for the Promotion of Bulk Air Fares, a group of British travel agents, are non-transferable tickets with limited stop-over facilities, no possibility of rebooking and no refund on cancellation.

"We think that these proposals go some way to making cheaper air fares available to a wider public and providing consumers with the sort of options they need," says the magazine.

Which? says it contacted 40 companies advertising cheap fares and was offered more than 60 cut-price tickets on scheduled and some charter, flights.

"In addition, the magazine bought a ticket for a return flight to Hong Kong for £220, saving just under £200 on the ordinary scheduled economy return fare," said a spokesman.

"Nearly all the 45 people who told Which? of their experiences, using 'unofficial' air tickets, were satisfied with their flights. A quarter of them said they saved £100 or more on the scheduled fare, two of them on European destinations, and more than half saved £40 to £50.

The magazine advises travellers planning cheap flights to check the route to avoid delays when changing directly and compare flight numbers before handing over any money.

They should check which airport they will fly to, because some cheap flights land at inconvenient ones, and are advised to collect tickets when they pay for them because some arrive late or altered.

In the latest issue of Which? housewives are told: "If you want fresh food, you'll save a lot of money by avoiding supermarkets." It says shoppers in 11 major centres found that up to 10 per cent. could be saved on fresh fruit and vegetables by

visiting the local greengrocer instead of a supermarket.

To visit the local butcher and fishmonger will also make the housekeeping money stretch and freezer centres are cheaper for frozen food than supermarkets.

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## Advertising and Tussling for tights

BY ANTHONY THORNCROFT

FRUIT squashes will always hold a special place in the hearts of marketing men because they represent a product which was saved from degenerating into a pure commodity, where sales depended on cut prices and promotions, by the belated decision of one company, Colman, through its Robinson's brand, to shoulder the burden of heavy advertising.

Retailers squashed had accounted for 40 per cent. of sales but Robinson's pushed up its advertising to £400,000 last year, and as well as improving its market share also encouraged its competitors to come back into the media, with the result that in 1975 squashes increased sales by 9 per cent. through grocers, with none of the gain going to the "own label" lines.

But this is old history. In 1976 a similar pattern looks like emerging in a very different guise — hosiery. The considerable over-capacity among hosiery manufacturers forced them to compete for sales, principally on the basis of price. At the same time supermarkets and chain stores have become very importunate stockists of tights and stockings, accounting for almost 50 per cent. of sales last year as against around a quarter in 1969.

Not surprisingly, the supermarket chains, which their interest in "own label" merchandise, were able to squeeze deals from hosiery suppliers which left the producers with minimal profits. So even if they had wanted to advertise their brands against the "own label" lines (which they were also making) they would not have had the cash to do so.

The position got so bad that, according to Media Expenditure Analysis last year, the hosiery brands spent just £210,000 in the main media, TV and the national Press. Now the situation has been transformed by the appearance of one brand, Kayser, which is spending £200,000 on advertising in just six weeks.

Kayser is one of the three brands of Courtaulds Hosiery which compete with Thomas Tilling's leading line Flamingo Polly for leadership in the £100m. market. Courtaulds, decided at the end of last year to try to do something about the poor state of business through a heavy advertising campaign. The situation was getting worse because the hot weather in the summer, the economic recession, and the popularity of jeans brought about a 10 per cent. decline in sales in 1975. On average, 24.9 pairs were bought by women over 14 compared with 27.7 pairs in 1974.

At least Kayser is confident. It is up against another year of declining sales, due mainly to the economic climate, but could receive a boost from traditional climate. A clarity of jeans brought about a summer should boost sales, could talk of a revival for 1976. Advertising can do a lot to encourage trade but it is side influences have their part to play as well.



Sam has taken over from Arthur in the TV commercials for Kayser tights. In order to hedge its bets on Arthur's longevity, Sam has filmed a double act between the two last autumn. Sam—of considerable suavity—is six, and like many cats eats with a paw.

## In brief . . .

● The Advertising Standards week burst will illustrate Authority is launching its second effect of a burglary, and the P campaign to the public. The ability to be on the spot. I budget for the year is about the first major campaign. £100,000 going into the Press, for the company posters and cinema. The "tick" Davidson Pearce Berry is to carry the continuity with Spottiswoode.

● This summer 4711 color headings illustrate old-fashioned "will be given a countryside" outgroup claims. Agency Roe radio boost plus appearance of Downtown's schedule includes of M.C. Morgan is handling of national newspapers carrying £250,000 drive.

● Douglas Crawford, MP, S. tish National Party spokes on finance and industry joined the Board of M.C. Robertson and Scott (E. burgh).

● The national veneer settee Bernbach Inc. in January the, the Timber Trade Federation appointed 32 The McCann-Erickson, another forecasting tising and promotion campa of the rise this year to 12 per cent, from 10 per cent.

● The Prudential Assurance Company is to begin its first heavyweight national TV campaign next week-end. The two Circle for the next two years.

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# The Marketing Scene

## Posters in a turmoil

BY PAMELA JUDGE

WHILE THE future of the Advertising Agency Poster Bureau looks cloudy as a result of recent resignations by some agencies J. Walter Thompson and Collett Dickinson Pearce remain among the 26 shareholders and their incomes to the Bureau are pledged.

Some advertisers have been unhappy with the service provided by the Bureau. The condition of sites and inspection, for example, and have produced less business. In addition, some agencies have put their business through some of the specialised bureaux, while others have dealt direct with contractors for the easier bookings. As a result a chicken and egg situation has arisen with the AAPB finding it more difficult to produce and finance the services with less money coming in.

Thus the situation has to be clarified which should come about in the next few weeks. In the meantime shareholders are being asked to support the Bureau.

To-day's meeting between the Institute of Practitioners in Advertising, the poster contractors, the British Poster Advertising Association and the Sales Ad. Association will be quite informal. It will discuss the implications of changes that may come about as a result of the AAPB situation and look at ways of helping agencies to buy more simply.

The formal question of an industrywide, independent Poster Audit Bureau is under discussion between the IPA and the contractors. The idea is that a PAB could be funded by the contractors and agencies as to two-thirds one-third respectively: this would give the agencies some control.

Any such PAB could undertake regular inspection, spot checks, classification of data and other services needed. It seems that without some financial involvement by the agencies the scheme would be unlikely to get off the ground.

## Hoover chief warns

POINTING OUT that in the last quarter of 1975 Hoover spent £12m. on advertising and promotion, Mr. Peter Boon also observed in London yesterday that his company demanded value for money spent on advertising.

Speaking at the Evening Newspaper Advertising Bureau lunch, Mr. Boon pointed out that some of Hoover's advertising people had recently become concerned at the "big increase in advertising rates" that some newspapers had applied.

"The growth of local broadcasting is now providing a competitor where in some areas newspapers have had it all of themselves. I am sure that you people are aware of the inherent dangers of pricing yourselves out of the market. We as a company have to live with competition and often have to be satisfied with lower margins to keep the business running and I am sure that after the changes and turmoil your industry has been through that these facts are constantly before you."

## Not the best of trends

BY DAVID DUNBAR, J. WALTER THOMPSON

RETAIL and service trades are particularly well served by official statistics. For a sector of the economy worth some £45bn. in 1975-76 per cent. of consumers' expenditure—it has to make do with an infrequent Census and an unsatisfactory Index of Sales.

The Census, at five-yearly intervals if we are lucky, publishes its final results just when the next one is due (the final 1971 results were published at the end of 1976). The index of Retail Sales, covering 63 per cent. of the total, omits a great deal of the broad data given in the Census: many outlet types are covered by one index figure only, although in turnover terms they are often much bigger than many industries whose affairs are reported in considerable detail in the production series of the Business Monitor. The catering and motor trades, with a joint turnover of £16.5bn. are covered in the barest way by separate inquiries, neither of them linked to the retail series or to each other.

This situation makes life very difficult for the serious student of the retailing scene. With a bit of hard work and persistence, however, the Index of Retail Sales and the two service trades inquiries can be turned into hard money figures, from which much more can be learned. This is an exercise that we have been doing for a number of years, and the results for 1975 show some interesting trends. In the following comments, descriptions of outlet types are those used in the Census—and the Index.

The total retail trade turnover in 1975 is estimated at £38.5bn., 19 per cent. up on 1974 by value, but nearly 2 per cent. down in volume. Provisional estimates of consumers' expenditure for 1975 as a whole suggest a fractional increase in volume. Over the longer term retail sales have been accounting for a decreasing share of total consumers' expenditure at current prices, but 1975 saw an abrupt fall in this share to 45 per cent., the lowest such figure ever. The same applies to the turnover of the catering, and motor trades: their £16.5bn., although 19 per cent. up on 1974, accounted for 26 per cent. of total consumers' expenditure.

Food shops, as a group, are the largest sector of the retail trade. Their 1975 turnover, at £11.8bn., was almost 21 per cent. higher than in 1974. But it was all, due to price rises: volume turnover was down by 24 per cent. after a rise of almost 1 per cent. in 1974. This brought the volume of sales back to their 1967 level, while prices have risen by 123 per cent. since that year.

The only type of outlet in this food shops group not showing a loss in volume in 1975 was off-licences: in spite of price and tax increases, their sales were up 43 per cent. in value, and 15 per cent. in volume. For the rest, grocers were down at least 3 per cent., and other food out-

lets were down by around 24 per cent.

Grocers' turnover reached £7.5bn. in 1975, an increase of 21 per cent. For a number of years, they have slowly but steadily been taking more and more of the total food shopping business, at the expense of the more specialised food shops, and in 1975 their share stood at 63.5 per cent. The problems of the loss of up to 15 per cent. in specialised food outlets, most of volume, and for electricity which had a bad year in 1974, board showrooms (down 14 per cent. in sales value) in 1975, greengrocers and fishmongers their turnover improved, but dropped around 5 per cent. in volume, dairymen around 4 per cent., and bakers about 3 per cent. and general clothing shops), and more specifically by the multiples in the group, who showed a plus of 20 per cent. in sales; they now account for 63 per cent. of their market (rapid progress indeed only four years ago).

TOTAL CONSUMERS' EXPENDITURE—RETAIL TRADES' SHARES					
Consumers' Expenditure in £ 000 m.	1966	1971	1973	1974	1975
Food Shops	20.5	19.5	18.5	18.0	18.7
Clothing, Footwear & Durable Goods Shops	14.4	12.1	12.3	11.9	11.4
All Other Shops	15.1	15.2	15.1	15.4	15.3
Catering Trades	8.2	8.3	8.5	8.3	8.1
Motor Trades	8.1	10.6	20.0	18.7	18.8
All Other Expenditure	25.1	25.5	25.6	25.7	25.7

cent. (after a near 10 per cent. fall in 1974).

Multiples are still gaining ground in the grocery trade, and in 1975 they accounted for almost 49 per cent. of total grocery sales. But their progress has been slower in the last two years because the co-operatives have been making a strong come-back. While in all their other outlets, retail co-operatives were at best holding their own, in grocers they have achieved higher increases in turnover than the multiples for two years running. Their market share in 1966 was 17.7 per cent., by 1973 this had fallen to 13.3 per cent., but in the last two years they have recovered some ground to 14.0 per cent.

Clothing and footwear shops (as a group) registered a 15 per cent. increase in sales revenue for the third year running, to £4.06bn., and actually increased their volume of sales by 1 per cent. (after a 2 per cent. fall in 1974). This group showed the most modest rate of price increases of any in 1975: the retail price index for clothing and footwear was up by only 14.9 per cent. (as against the all-items average of 24.2 per cent.), and the implied unit price index in retail sales was up by only 14.0 per cent.

Men's wear shops had a poor year, with sales up by only 9 per cent. All the improvement in this sector, both in value and in volume, was contributed by the "women's wear" group of shops (which includes infants' wear

and general clothing shops), and more specifically by the multiples in the group, who showed a plus of 20 per cent. in sales; they now account for 63 per cent. of their market (rapid progress indeed only four years ago).

For durable goods shops, 1974 had been a disastrous year, particularly for furniture shops (a per cent. loss of up to 15 per cent. in sales value), and for electricity board showrooms (down 14 per cent. in sales value). In 1975, however, their turnover improved, but dropped around 5 per cent. in volume, dairymen around 4 per cent., and bakers about 3 per cent. and general clothing shops), and more specifically by the multiples in the group, who showed a plus of 20 per cent. in sales; they now account for 63 per cent. of their market (rapid progress indeed only four years ago).

Elsewhere, outlets were lucky to escape with only small losses in volume: chemists and photographic dealers were in this class. CTNs (confectionery, tobacco and newsagents) ironmongers and hardware stores, and booksellers and stationers, all suffered significant losses in volume in 1975, and in most cases there were larger falls than the ones already experienced in 1974. In CTNs, chemists, booksellers, and multiples continued to improve their market positions, although in chemists there is a suggestion that progress against independents is becoming more difficult.

The motor trades must have been slightly encouraged by the recovery of their turnover in 1975: a plus of 19 per cent. compared with one of only 7 per cent. in 1974. But their volume of business was down by a further 5 per cent., after a fall of 10 per cent. in 1974. Sales of secondhand cars recovered by 25 per cent.; but new car sales were only 13 per cent. up in value, after a 4 per cent. fall in 1974.

"Trends: Retail Sales 1966-1975" will be published by JWT Information Services, 40 Berkeley Square, W1X 6AD, next week.

## Young and Rubicam—ad. estimates and changes

BY PAMELA JUDGE

PRELIMINARY ESTIMATES of the accuracy of Young and Rubicam's advertising expenditure forecast show that the first quarter totalled £205m. or one

per cent. higher than the original figure of £203m. reported on January 8. Within this TV is known to have been £56m. compared with £55m. so that the latest estimate of spending in the Press amounts to £150m. against the initial forecast of £144m.

Since the original publication results for the last two quarters of 1975 have become available and these show that Y and R was accurate as to the third quarter but 5.3 per cent. lower on estimate for the fourth quarter. The agency has made no major changes in its forecast for the rest of the year, but is slightly more optimistic for TV towards the end of the year.

In the next two or three months the computer exercise will be replicated in order to take into account extra information and data which should provide a better estimate for the second half of 1976 and could permit

the forecast to look ahead to the first half of 1977.

Meanwhile inside the agency changes are taking place. Dennis Auton is to step down as creative director and chief executive, but "in spite of his long-standing desire to concentrate on painting" he has agreed to stay on with Y and R, retaining his office as agency chairman. David Tree is to take over as creative director on June 1 and Tim Coles becomes chief executive. Coles became managing director in February, 1975, and Tree has been creative head with other Y and R agencies in Europe and Japan. In 31 years in London Y and R has had only two creative directors, George Plante and Dennis Auton.

## Marketing Society

THE MARKETING Society's revenue from subscriptions and entrance fees in 1975 was £4,850, below the expenditure of £5,776 of the previous year which is one indication why subscriptions have been increased.

The two major areas of expenditure are rent-secretarial fees at £3,083 and printing, postage and stationery of £3,170. The Society is aiming to limit mailings to members to once a month in order to control this cost of £2,069. The aim is to halve spending on print, postage and stationery. The Society is also looking into alternative arrangements for rent-secretarial fees with a view to holding 1975 costs of £3,000 or so on an annual basis.

Up to date some 384 subscriptions have been received for this year and there is a credit for £473 for subs. paid in advance. The committee is aiming at a balance between financial viability and benefits to members.

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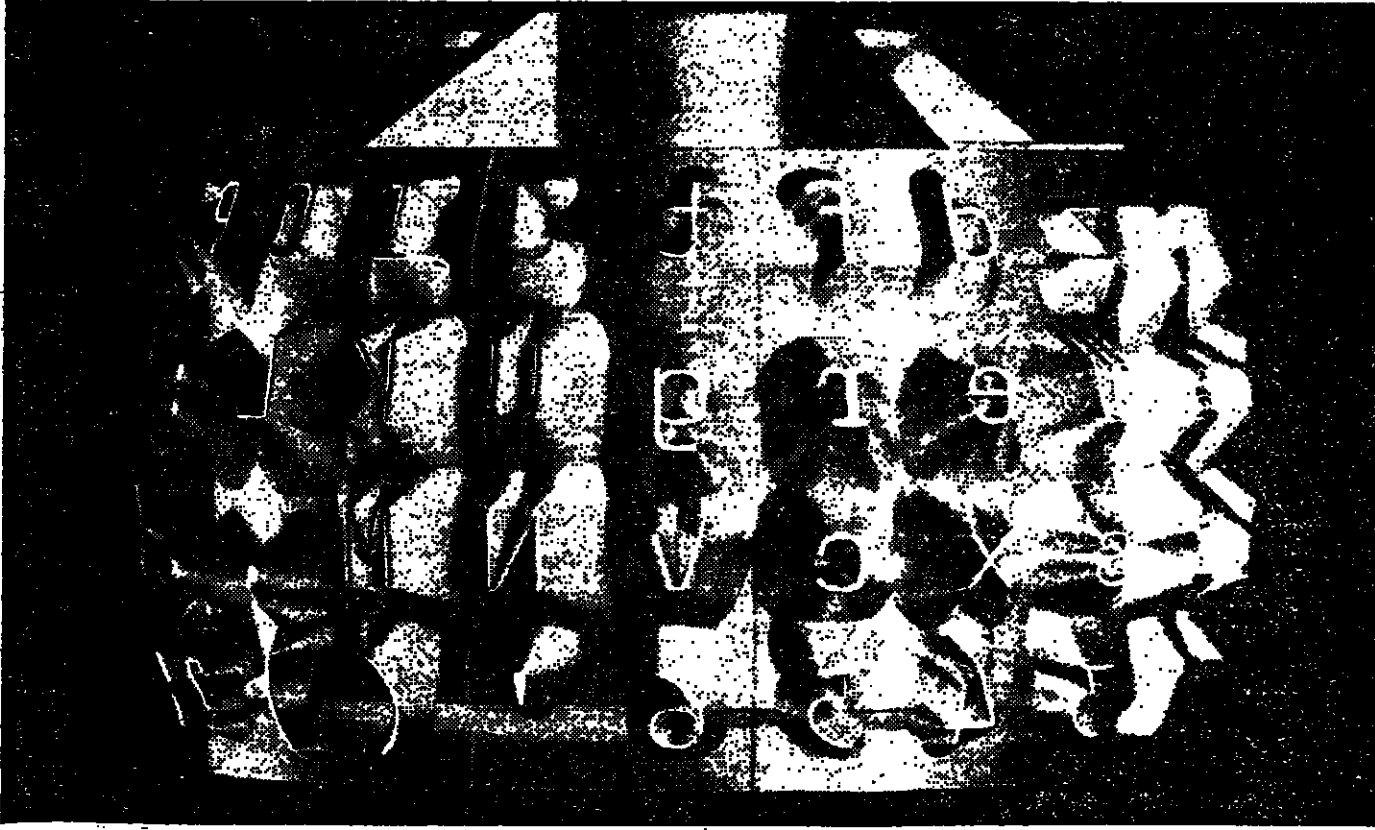
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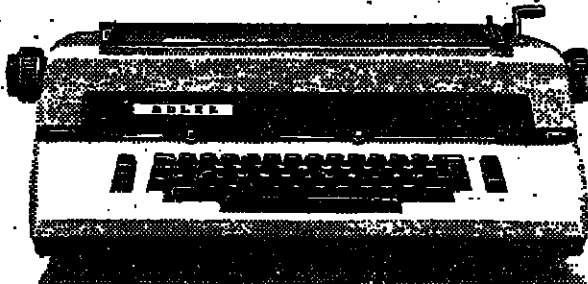
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The Chancellor and the TUC believe they have set Britain on the course of economic reason. Samuel Brittan analyses the deal.

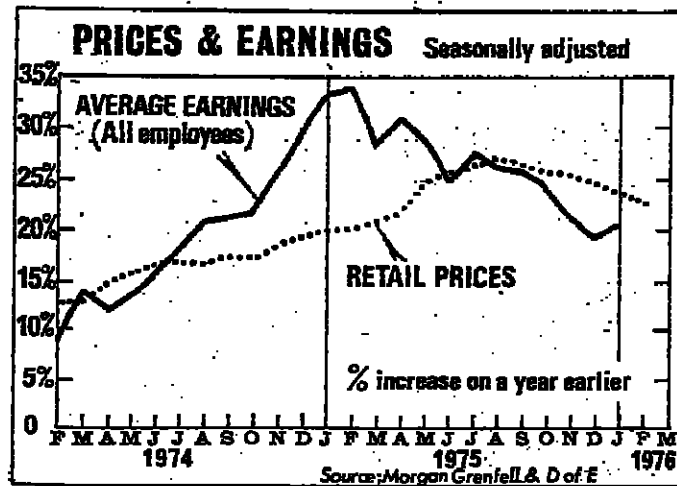
# Mr. Healey's quest for the Holy Grail

I BELIEVE it is well worth accepting some increase in the public sector borrowing requirement to achieve a lower rate of inflation."

Mr. Denis Healey, Budget Speech, April 6, 1976.

At last the Chancellor of the Exchequer has obtained his piece of paper from Mr. Jack Jones and his colleagues: and he can be reasonably confident that it will have a temporary beneficial effect on confidence. The short term shock impact of the 5% pay limit on the earnings increase last year (which was coming down anyway) has encouraged the notion that counter-inflation is a matter of pay deals with the TUC, when it is actually a matter of monetary demand. The round the clock "discussions" which preceded yesterday's announcement of the new pay limits will further serve the cause of mis-education. But holders of sterling base their instant judgments, if not their longer-term assessments, on what is said in Britain. As the British Government staked everything on a new pay norm, the foreign exchange market may yet settle down and improve once it is clear that the deal was what Mr. Healey had in mind in his Budget Speech, and that by 3 per cent he did not mean 3 per cent, but rather more.

Temporary foreign exchange tremors may well occur between now and the special TUC Congress in mid-June, whenever some union leaders make dissenting noises. From next autumn confidence will also be vulnerable to a breach of the policy in any particular industry. In other circumstances, such a breach would have involved mainly an adjustment of relative wages between different workers. But it will now be



Mr. Jack Jones

between jobs cannot be forecast a fall of 1-2 per cent. of living standards over the next 15 months. But as the article on the opposite page shows, when tax and National Insurance contributions are taken into account, professional and managerial workers will face a much greater squeeze—for about the fourth year in succession. Skilled workers too will be squeezed. Something, somewhere is likely to give.

During the 5% policy, earnings per head have been rising by about 15 per cent, compared with 10.1 per cent which might have been expected on strict arithmetic. The excess was mostly due to settlements made before August 1, 1975, coming into force later. The causes of slippage during the next phase are likely to be different. The most obvious would be open breaches of the policy which would show up in the wage rate index. But "wage drift" narrowly defined, refers to the difference between nationally negotiated rates and shop floor (or office desk) pay. By treating the new round of wage increases as a sort of bonus, not

qualifying for the calculation of overtime rates in the same way as the 5% was paid, the Government is hoping to minimise "drift". But it is still likely to occur as a result of changes in hours, bonuses and small shop floor adjustments, even without consolidation.

Drift is reckoned to be about 2 per cent in a typical year. But it is likely to be higher in a year of economic recovery and will be particularly high when the Government is trying to erect a dam against normal wage rate increases.

On top of this there are likely to be special distortions brought on by the policy itself. If people cannot obtain the market value for their work in one job, they will tend to move to another. There will be more corporate reorganisation, new ventures, and regrading than would otherwise be necessary.

What all this will add up to by August 1977 is anyone's guess. An increase of earnings of 10 per cent, per head is, in my view, as good a guess as any, and I doubt if it is on the low side.

But much more worrying than this base figure—with which we could certainly live—is that it will be tending upwards. Consolidation of the 5% increase would have cost a good 2 per cent this year. Consolidation of two years of controlled awards in the late summer or autumn of 1977 will cost 4.5 per cent, unless consolidation takes place on the quiet a good deal earlier, as some reports suggest. In this way a very strong upward momentum is building up to be unleashed just when the economy is booming.

But even if the new guidelines work entirely as predicted, the effect on prices will be diluted and delayed. Prices are still being influenced by wage settlements made before last August, and after this August they will be influenced by the settlements of the 5% phase. Sterling depreciation, over and above anything required by relatively international cost movements will raise prices. Commodity prices have begun to rise; even measured in dollars they have gone up by about 7 per cent, in just over a month. The Chancellor is committed to reducing the subsidy element in food, nationalised industry prices and rents.

What is often overlooked is that we are obtaining key foodstuffs at over 12 per cent, below EEC price levels because the "green pound" has not been devalued to the full extent of the ordinary pound. The British Government will have to give some ground here after June.

Moreover, if the economic upturn is to get off the ground, profit margins will have to rise. Profits net of stock appreciation, probably need to increase by 50 per cent—or 3 per cent of the national income—to reach a normal level consistent with reasonably full employment.

The TUC will not allow the Government to permit this; but doubt that the last Budget provided a net stimulus.

If one goes outside the official model, the strategy seems even more perverse. A low rate of wage increases stimulates employment quite quickly for all sorts of reasons. It helps to release finance for investment and stockbuilding. Yet the Chancellor proposes to add to the stimulus but threatens to give the economy a kick downwards if it is hit once more by a fresh burst of wage-push.

To sum up, the recent recession and the historically low demand for labour are the main forces holding back wage increases. The de-escalation from the 30 per cent wage increase of a year ago was hastened by the 5% pay limit, but at a political and economic price—including policies with an adverse effect on long term employment—which may or may not have been worth paying.

Labour market conditions, together with lower inflationary expectations, may reduce wage increases somewhat further before they turn up again with the business cycle. The pay controls will become gradually less effective as a dampening influence; but as their impact on pay levels diminishes, their cost in economic distortion will increase.

It is impossible to predict whether the controls will come to an end with a bang or a whimper. But the adverse consequences of all the other policies which have been undertaken to purchase union acquiescence may not be apparent until well on in 1977, by which time it will be no late to put them into reverse without a nasty political, social and economic shock.

## Letters to the Editor

### Tax relief on life premiums

From Mr. J. Hickey.

Sir,—The main points raised by Clive Bishop (May 4) are that the Chancellor failed to mention the proposed £15,000 premium limit in his speech and that this would reduce the income for investment by life assurance companies.

More important perhaps is that such proposals are to operate from the tax year 1978-80 on all policies including those started before the announcement, so we have a clear instance of retrospective legislation. Since the Revenue intend to make the life assurance companies the distributors of tax relief in future by charging net premiums, the Revenue will presumably have to claw the excess relief back, thus defeating the whole object of the exercise which is presumably to reduce the Revenue workload.

What is wrong with the 1/6th limit? We are hearing much about the plight of middle managers and this is merely a restriction which will prevent them saving as much as they might and providing for their families.

We might also consider the 15 per cent limit on personal pension contributions. Companies may allocate as much as they like for approved schemes in any year, provided the benefits do not exceed a given maximum. The State or its employees, goes even further by indexing contributions and future tax payers will have to bear the cost. Were State pensions funded on current interest rates available, the cost may well reach 100 per cent of pay-roll. A 15 per cent limit for personal pensions does mean that the excess cannot be paid outside in a good year, although this has been done on a massive scale recently by companies.

Little more thought please. A little less legislation designed to discourage the young to aspire to the responsibility of management.

J. E. B. Hickey, Director, St. Helier, Jersey, C.I.

### Contracting in or out

From Mr. R. Sloan.

Sir,—Some of the apparent disagreements of recent contributions on pensions appear to have arisen largely from lack of consistent definition of the subject matter. Issues such as funding of pensions versus pay-as-you-go, and the problems posed by integration of occupational scheme benefits with State benefits, should not be allowed to cloud the primary aim of establishing an acceptable overall target level of benefits, subject of course to cost constraints. Only once this primary objective has been established, does the contracting-out question really become material.

One vital factor, however, in the financial equation seems in danger of being overlooked: the quest to determine whether or not the 7 per cent contribution reduction is adequate to provide the requisite benefits under a contracted-out occupational scheme. As is widely known, this 7 per cent reduction consists of 3.5 per cent of employers' contributions and 2.5 per cent of employees' contributions. While there can be little doubt that the employer will bear his full share of pension funding costs and hence apply his 3.5 per cent to the occupational scheme, it is

material to consider whether in practice the employees' 2.5 per cent State scheme contribution reduction can be readily channelled into the occupational scheme.

The widely held view seems to be that no such increase in existing levels of employee contributions will be made, in which case employers will have only a 4.5 per cent contribution reduction to weigh up against the cost of contracting out. This is not to say that the employees' 2.5 per cent contribution saving, even if he retains it all, can be ignored in an overall appreciation of the situation, but employers' should be wary of assessing the purely financial considerations against an apparent 7 per cent contribution reduction when there may be practice be only 4.5 per cent available for this purpose.

R. K. Sloan, Director and Regional Actuary, Martin Patterson Associates, 22, Charlotte Square, Edinburgh, E.C.3.

### Excluded from business

From Mr. G. Fulford.

Sir,—In his letter of May 4 Mr. Bishop does well to expose under-handed insertion of important clauses into proposed legislation. The company has policy holders who are resident in the United Kingdom. We are permitted to issue policies to such people by Section 19 of the Taxes Act 1970 as: "an insurance company legally established with its head office in the United Kingdom, and others from transacting future business with U.K. residents by penalising the policyholder. Worse still, existing policyholders are to be penalised. Naturally we should be interested to know why we and our clients have been made the butt of what looks uncommonly like spite for no reason. Also, the matter involves considerable sums of money and is thus important enough to have a mention in the speech proposing the measure.

G. M. Fulford, Director, Capital and Gresham (Channel Islands), Equity and Law House, La Motte Street, St. Helier, Jersey, C.I.

### Preservation of wine

From The Technical Manager, Chemicals, Hoechst U.K.

Sir,—With reference to the letter by Mr. V. Fellas published by you on April 17 in reply to Mr. Kenneth Gooding's article on drink and tobacco (published by you April 7) may I correct misleading and damaging references to the use of sorbic acid as a preservative.

There should no longer be any controversy over the safety of sorbic acid with regard to carcinogenicity. Long term and detailed studies of the toxicity of sorbic acid in rats by the British Industrial Biological Research Association have confirmed earlier findings that sorbic acid shows no carcinogenic effect up to dietary levels of 10 per cent; furthermore in the treated rats, there were no changes in the haematological or histopathological examinations. From this and other evidence we as manufacturers of sorbic acid are convinced that this is a safe preservative when used at recommended levels in foodstuffs as

it is not injurious to health and is broken down in the body like a food fatty acid.

The Food Ministry's acceptance of the non-toxic nature of sorbic acid resulted in the current review by the FACC into the need for this preservative in foodstuffs, and it would be rather tragic if the comments of Mr. Fellas were to emotively influence the general public. The writer would be pleased to discuss this matter in more depth privately with him.

Furthermore, sorbic acid is very effective in controlling mould formation in wine whereas sulphur dioxide is more effective against bacteria, including the strains producing lactic acid and are now believed to be responsible for the "germy bouquet". We therefore recommend that both preservatives be used.

W. E. Huddart, Hoechst U.K., Chemicals, Hoechst House, Salisbury Road, Hounslow, Middx.

### Ethiopian events

From The Press Attaché, the Ethiopian Embassy.

Sir,—With reference to the report by your correspondent in Addis Ababa (April 31) it is rather curious to find the erroneous statement made against the Ethiopian Government.

The fact that students are demonstrating does not mean that the Government is losing its grip, as described by your paper. It is the result of the Provisional Military Government's more liberal policy which provides for freedom of expression of opinion, including the right to demonstrate. And this was categorically heralded on Ethiopian mass-media in the recent past.

On a point of accuracy the number of students demonstrating given in your report was exaggerated. Reliable estimate put the number of student demonstrators at around 50 at the most. While your correspondent correctly states that weavers have been experiencing a shortage of yarn, the explanation for this is different from what he suggested. It is due to a shortage artificially created by some reactionary wholesalers and producers. The same goes true for the shortage of "net" (the staple grain).

Your readers ought to be informed about the reasons why the university was closed. This was in the early stages of the revolution because of the activity of some students who are related to the feudal lords whose interests were affected. It is, however, the firm policy of the Provisional Military Government of Ethiopia to reopen the university soon. It should not be forgotten in this context that the progressive students who would easily make the large majority are the vanguards of the revolution together with the military both at its initial stage and now.

Tesfaye Demekle, 17, Princes Gate, S.W.7.

### Invest against crime

From The Director-General, British Security Industry Association.

Sir,—The Lord Chancellor's recent reference (Justitia, May 3) to our lack of detailed knowledge about ways of containing it by way of prevention is most welcome. The fact is that we remain surprisingly ignorant of the true costs of crime in this country and for too long have been content to spend the minimum on crime prevention. It is now likely that the

proceeds from dishonesty of all kinds is running at a figure in excess of £300 million per annum. Official statistics, such as they are, only record crimes reported to the regular police forces and these merely represent the tip of the iceberg.

The mounting crime wave is baffling in its complexity but one explanation of why it has continued to grow beyond our worst expectations is because the rewards from criminal activities have become much larger than the risks. In recent times, the relationship of gains from crime versus its risks has not been a popular explanation for the continued rise in criminal activity. The humanistic perspective of viewing the criminal offender as the "innocent victim of social" injustice has been damaging in as much that most criminal offenders are mainly rational, albeit unprincipled, individuals who see crime as an easier means than lawful work of gaining what they want.

The pursuit of psychological and sociological answers to the problem of crime has largely (but not entirely) failed. What is now needed is a realistic and wide-ranging crime prevention programme of a kind designed to help understand the full nature of the opportunities for crime and the kind of crime prevention policies necessary to stem the tide (and the likely consequences of their implementation). Community and also the general public must become aware of the need for realistic investment in crime prevention if the quality of life for the majority is to be fairly preserved. If the country does not want to accept excessive criminality as the norm, nor do we wish to lose freedom to use streets and public places at any hour of the day or night, as is the case elsewhere, enlightened measures must be taken. Crime will never mature if uncontrolled criminal activity is permitted to run where it threatens many people with becoming either its silent partner or its victim.

John D. Wheeler, 14, Tottenham Street, W.1.

### Transport policy

From Mr. S. Olivant.

Sir,—If transport is an essential service, which Councilor Sherman (May 3) seems to concede, it is surely better to subsidise it than to destroy it. Mr. Sherman seems to think we should simply scrap the railways—a huge fleet of road vehicles will miraculously take their place. Suppose the miracle to have occurred. We subsidise road services instead of railway services and provide a poorer service: what an improvement!

When Mr. Sherman has completed his adoration at the altar of cost-benefit analysis, let me repeat that when one attempts to weigh the unweighable, by putting in one scale revenue and in the other expenditure and social and environmental cost, which is the heavier scale is a matter of opinion. The only analysis which is accurate (though limited) is, strict accounting. It is not applied to roads. It is applied to railways. That is unfair.

True, the railways are over-manned. What is the answer? Should we close the railways? As Councilor Sherman must know, Council offices are over-manned. Should we then close Kensington Town Hall? I return to the suggestion I originally put forward: investment and a coherent policy.

Steven Olivant, Tory Reform Group National Executive, 8 Archibald Road, Exeter.

## To-day's Events

- GENERAL**
- District Council elections polling day for one-third of members of the 36 Metropolitan district councils in England and for the whole councils of 206 non-Metropolitan districts in England and of 37 districts in Wales.
  - Civil and Public Services Association conference expected to discuss policy on pay restraint.
  - Brazilian President and Seniors Geisel continue visit to U.K. Banquet at Brazilian Embassy.
  - Mr. Anthony Crosland, Foreign Secretary, continues visit to China.
  - Queen visits Guy's Hospital to mark its 250th anniversary.
  - Living Crafts of England, Hatfield House, Hertfordshire.
- PARLIAMENTARY BUSINESS**
- House of Commons: Debate on the Army.
  - House of Lords: Bill, third reading. Development of Rural Wales Bill, second reading. Motion for approval—Pool Competitions Act 1971 (Continuance Order). Weights and Measures (Prepacked Milk in Vending Machines Order). Family Income Supplements (Computation Regulations), and Consumer Inflation (Price Code) (Amendment Order). A short debate on passports.
- COMPANY RESULTS**
- Dunlop Holdings (full year). National and Commercial Bank Group (half-year). Whesoe (half-year).
- COMPANY MEETINGS**
- Albright and Wilson, Park Lane Hotel, W. 12. Appleyard Group, Leeds, 21. Associated Portland Cement, 21, Tothill Street, S.W. 12. Booker, McConnell, London Chamber of Commerce, E.C. 12. Clay (Richard), Waldorf Hotel, W.C. 12.15. Collins (William), Glasgow, 11. Rosdiamond Investment Trust, 41, Bishopsgate, E.C. 2.5. Royal Worcester, Brown's Hotel, Dover Street, W. 12. Ruberoid, Howard Hotel, W.C. 12.15. Sangamo Weston, Enfield, 11. Thurcar Bardex, Kettering, 11.30. Turner and Newall, Manchester, 12.

## C. E. Heath & Co. Limited

INTERNATIONAL INSURANCE BROKERS REINSURANCE BROKERS AND UNDERWRITING AGENTS

Preliminary Results for the Year Ending 31st March, 1976

	Year to 31 Mar 76 £000	Year to 31 Mar 75 £000
<b>Broking</b>		
Brokerage	10,096	6,525
Investment income and interest	829	847
Expenses .. .. .	(7,125)	(4,979)
	3,800	2,393
<b>Underwriting</b>		
Profit commission	330	425
Fees and overriding commissions	2,809	1,153
Investment income and interest	752	189
Expenses net of recoveries	(1,552)	(736)
	2,339	1,031
<b>Other investment income</b>	231	134
<b>Operating Profit</b>	6,370	3,558
<b>Other income and expenditure</b>	31	(49)
<b>Profits before taxation, minority interests and extraordinary item</b>	6,401	3,509
Taxation	(3,182)	(1,783)
Minority interests	(101)	(46)
<b>Profits before extraordinary item</b>	3,118	1,680
Extraordinary item	(84)	—
<b>Net profit available for appropriation</b>	3,034	1,680
Dividend paid and proposed .. .. .	(577)	(527)
<b>Retained earnings carried to general reserve</b>	2,457	1,153
<b>Earnings per share</b>	36.0p	19.6p

The increase in income from our broking operations of 54.7 per cent. and the reduction from 76.3 per cent. to 70.6 per cent. in the expense ratio reflect a substantial addition of new business. On the underwriting side, as expected there was a lower profit commission from our Lloyd's operations but there was an outstanding performance in Australia as a result of new business and substantial rate increases.

The Board recommends a final dividend of 4.7008p net per share on the present issued and fully paid share capital. With the interim dividend paid in January this will make a total dividend of 6.6508p net per share for the year, equivalent to a gross dividend of 10.232p (1974/75 - 9.302p).

It is expected that the full published Report and Accounts will be posted to Shareholders on 8th June, 1976 together with the notice of the Annual General Meeting which will be held on 7th July, 1976. Subject to approval at that meeting, the final dividend will be paid on 8th July, 1976 to Shareholders on the register at the close of business on 8th June, 1976.

The Board proposes to raise approximately £2.17 million net by a rights issue to Shareholders on the basis of one new Ordinary Share for every twelve Ordinary Shares held at a price of 305p per Share. A letter about this issue is being despatched to Shareholders today.

F. R. D. HOLLAND, Chairman.

Copies of the full accounts will be obtainable on 8th June, 1976 from the Secretary, C. E. Heath & Co. Limited, Bankside House, 107/111, Leadenhall Street, London, EC3A 4AJ. Telephone 01-253 1020.



## DIVIDENDS ANNOUNCED

Company	Current payment	Date of payment	Corresponding dividend	Total for year	Total for year
Bellway	1.2	July 12	1.1	2.3	2.3
Brit. Indus. & Geol. Int.	1.03	June 18	1.05	2.08	2.08
Burton Group	1.48	Oct. 1	1.48	2.96	2.96
City of Oxford	1.88	June 23	1.88	3.76	3.76
Continental Union	1.74	June 18	1.35	3.09	3.09
Frederick Cooper	0.1	June 16	1	1.1	1.1
Frederick W. Evans Int.	0.6	Aug. 18	0.38	1.0	1.0
Gieves Group	1.15	July 1	1.19	2.34	2.34
Greenbank Industrial	2.0	June 22	1.77	3.77	3.77
C. E. Heath	4.7(b)	June 1	4.27	8.97	8.97
Hiltons Footwear	2.79(c)	June 1	2.65	5.44	5.44
Hunting Assoc.	1.53	June 24	1.53	3.06	3.06
Newmans Tubes	2.44	June 24	2.44	4.88	4.88
Peak Invest.	0.5	July 1	0.5	1.0	1.0
P. & O.	1.66	July 1	2.39	4.05	4.05
Photax (London)	1.17	June 4	1.01	2.18	2.18
Plaxton's	2.37	May 25	2.57	4.94	4.94
J. Sainsbury	3.25	July 30	3	6.25	6.25
Towles	1.37	July 1	1.25	2.62	2.62
Bank of Ireland	3.6(b)	July 1	1.25	4.85	4.85

Dividends shown pence per share net except where otherwise stated. (a) Equivalent after allowing for scrip issue. (b) On cash increased by rights and/or acquisition. (c) For 15 months. (d) See Issue News. (e) Corrected by company.

## Lamson progress

THE CONFIDENCE expressed at the recent AGM in the continued improvement in the fortunes of Lamson Industries Group is reflected in the first quarter results. Using the exchange rates ruling at end-March, profits before tax have reached £2.46m. Using the end-December 1975 exchange rates, the profit becomes £2.37m, compared with £1.97m for the first quarter of 1975. Turnover is practically identical in monetary terms but is making good recovery with a rise of some 15 per cent in volume. Although incoming business is still not at a "wholly satisfactory" level, either in terms of volume or prices, the directors feel that the good start is encouraging and augurs well for the rest of the year. Profits before tax in the U.K. have reached £2.00m and the Continent as a whole has also surpassed its budgeted target. Weak spots remain, both home and abroad, and these continue to be the focus of attention. Earnings for the quarter are stated at 1.91p (1.54p) per 25p share, and for the year 1975 they were 4.32p. They have been calculated on the profit attributable to Lamson after the appropriate proportion of the Preference dividend, but both have extraordinary items. In the year 1975 profits before tax were £2.00m, and a dividend of 2.5p net was paid. Lamson is controlled by Moore Corporation of Canada.

comment

The profit recovery noted in the fourth 1975 quarter at Lamson is continuing in the current year with a big drop in interest charges providing the impetus. The U.K. is making good recovery with a turnaround to profit while France is also making progress. But at cutting, though less severe, mainly, and other areas of operations, notably South Africa, Australia, are still depressed. Meanwhile, borrowings continue to drop as working capital requirements remain low and stocks run down. Should demand in the U.K. continue to rise, Lamson's selling its Moore shares to raise the additional working capital thus keeping borrowings down, the directors should demand of producing the same sort of profits in all four quarters, being an exception, earnings were 4.32p. They have been calculated on the profit attributable to Lamson after the appropriate proportion of the Preference dividend, but both have extraordinary items.

## INTERIM STATEMENT

PLAXTONS (SCARBOROUGH) LIMITED			
INTERIM REPORT			
Unaudited results for the six months ended 29th February, 1976—			
	Six months to 29.2.76	Six months to 29.2.75	Year to 29.2.75
Profit before taxation	£900	£100	£1,000
Deduct taxation	32	140	788
	868	73	212
	39	67	263

Coach Division profitability for the first six months of the current year was badly affected by the aftermath of the extended period of three day working and resulting redundancies of the previous year, coupled with the problems and costs of adapting our new 'Supreme' style welded bodies to the full range of British and foreign makes of chassis. 'Supreme' production is now running at improved levels and margins as a result of a recently concluded agreement with our labour force, recruitment, and elimination of the initial problems.

Coach Repair/Spares and Building Divisions have both traded well and have fully maintained their contribution. Present indications point to these Divisions continuing to do well in the second half year.

Vehicle Fitting Division is still affected by the depression in commercial body building, but prospects for the longer term remain good.

With the Coach Division having a full order book and an ample supply of chassis, it is anticipated that our figures for the second half year should show an improvement on the equivalent period last year.

The Board has decided to maintain the Interim Dividend of 2.57p per share net. Dividend warrants will be posted on 34th May, 1976.

## Fothergill &amp; Harvey Ltd

## 1975 satisfactory despite recessionary factors

After the previous year's record figure, it is disappointing to have to report a down-turn of 11% in the profit before tax for 1975. However, against a background of very severe recession in all industrialised countries, the outcome of the year's operations is a not unsatisfactory performance even after allowing for the effects of inflation.

Participation

If we are to encourage wealth-creating industry, the shareholder must receive his reward in the form of dividends, as the employee does in the form of wages. We should therefore stop referring to the two sides of industry, 'Bosses' and 'Workers' who have worked their way up the ladder by their own efforts. They consider themselves just as much employees of the company as the operatives. But there must be leaders in industry as there are in all forms of society and these leaders should receive higher rates of pay as do leaders in Government, the Civil Service, or Trades Unions.

A general understanding and acceptance of these basic facts by all concerned would provide a sound basis for meaningful employee participation.

Prospects

Although our outstanding order position at the year end was substantially down on the previous year's figure we feel that we have passed the bottom of the recessionary cycle. In certain areas there are encouraging signs and we are confident of returning to our previous growth pattern, but when this will happen is difficult to predict and could be affected by Government action.

	1975	1974	1973
Turnover	£8.1m	£8.6m	£7m
Profit before tax - £'000	720	806	636
Dividend - Net	5.0555p	5.0555p	4.5500p
Return on Assets Employed	21.4%	25.8%	22.4%

Fluorocarbon products, fibre reinforced composites and industrial synthetic fibre textiles.

Registered Office: Summit, Littleborough, Lancashire.

## COMPANY NEWS + COMMENT

## P &amp; O Group in line with forecast

FOR THE 15 months ended December 31, 1975, Peninsular and Oriental Steam Navigation reports that profits are in line with the indications given in February.

After £8.7m. provision against Bovis development properties and after crediting depreciation with £1.9m. in respect of ships written down previously, the current year's profits, the profit for the period comes to £22.72m., compared with £22.53m. in 1974-75. From earnings of 8.9p, the dividend is 4.65p, with a final of 1.65p, net, in the previous 12 months earnings were 33p and the payment 4.65p.

	1975	1974
Profit before tax	£22,720,000	£22,530,000
Taxation	8,547,000	8,773,000
Net profit	14,173,000	13,757,000
Outside loss	1,308,000	1,131,000
Attributable	14,862,000	14,888,000
Profit, dividends	9,437,000	7,930,000
Dividend to shareholders	11,250,000	10,000,000
Dividend to reserves	2,584,000	2,871,000

Preferred dividends paid in October 1975 and April 1976 were calculated by reference to the current 35 per cent. rate of ACT, following judgement given in the *Sime Darby* case. The 1976 Finance Bill reverses this ruling with retrospective effect, and if the relevant clause is enacted the next dividend expected on October 1, 1976 will be increased from 1.75p to 2p to cover the underpayment.

At December 31, 1975 the overall reduction in reserves was £9.8m., compared to September 30, 1974.

## comment

Next Thursday's will be an important day for P & O, for that is when the group will disclose its full 1974-75 accounts. Since last autumn, the shares have only moved sideways, whereas as Oceanic has jumped by more than a half. The bare preliminary figures give no impression of the scale of last year's exceptional losses, or of the overall cash outflow. But the dividend increase is obviously good news: it takes the annualised yield up to over 8 per cent.

## Second half fall at Gieves

TAILORS and outfitters, publishers, motor dealers, etc., Gieves Group reports turnover up from £18.1m. to £21.67m. for the year to January 31, 1976, but a reduction in pre-tax profits from £847,153 to £551,315. At halfway when profits were £344,000 against £238,000, the directors warned that the normal

## INDEX TO COMPANY HIGHLIGHTS

Company	Page	Col.	Company	Page	Col.
APV Holdings	22	6	Greenbank Industrial	21	4
Bellway Holdings	20	4	Home Charm	20	3
Bentalls	26	8	Hunting Associated	21	3
Bostobell	26	7	J. B. Holdings	23	1
Bridon	23	2	Lamson Industries	20	7
Burton Group	22	8	Martin (Tom)	23	5
Cartwright (R.)	23	1	Metaltrax	26	7
Continental Union	22	8	Newmans Tubes	22	6
Cooper (Frederick)	23	3	Photax (London)	20	3
Fairclough (C.)	20	5	Plaxton's	22	5
Fothergill & Harvey	23	4	P. & O.	20	1
Fitzell Group	22	7	Sainsbury (I)	22	5
Gallaher	20	2	Towles	23	2
Gieves Group	20	1	Wood & Sons	26	7
Grattan Warehouses	21	4	York. Woollen	21	4

trend of higher second-half profits could be reversed. Full-year earnings are shown to be down from 12.3p to 8.1p per 25p share. The final dividend is the anticipated 1.65p net for a maximum permitted 2.149p (1.977p) total.

Turnover 1975-76 1974-75  
£1,545,388 1,697,692  
Trade profit 281,034 297,493  
Interest payable 25,493 25,493  
Share associate 34,250 34,250  
Profit before tax 276,621 297,743  
Tax 24,984 26,728  
Net profit 251,637 271,015  
Dividend 12,144 12,144  
Retained 239,493 258,871  
Surplus on disposal of properties net of 125 125  
Included minorities £2,225.

## Gallaher's upward trend

A £1.831. advance in profits to £10.3m. is reported by Gallaher for the first quarter of 1976. Sales expanded by 250m. to £260.7m., the comparison for tobacco products has been largely affected by the very substantial unit increase included from May 1975 onwards, the directors point out.

	1976	1975
Group sales	£260.7m.	£205.9m.
Operating profit	£10.3m.	£8.4m.
Finance	£0.2m.	£0.1m.
Profit before tax	£10.5m.	£8.5m.
Taxation	£1.1m.	£0.9m.
Profit	£9.4m.	£7.6m.
Dividend	£1.65p	£1.65p
Retained	£7.75m.	£5.95m.
Surplus	£2.225m.	£1.65m.

## Home Charm sales ahead

IN HIS annual statement, Mr. H. E. Fogel, chairman of Home Charm, the do-it-yourself store group, says that in the first quarter of 1976 sales increased by 34 per cent. compared with the first three months of 1975. The group should continue its growth "for many years to come," he adds.

Backed by "a very strong liquid position," the Board intends to continue its carefully controlled expansion. As part of this programme, stock levels were increased towards the end of 1975.

As reported on April 23, pre-tax profit increased from £807,391 to a record £888,539 in 1975, and the net dividend total is 2.85p (2.725p) a share, the maximum allowed.

Since January 1 six more units have been opened, two smaller shops closed and extensions completed at two existing branches—total current selling area of the group 438,000 square feet. A third retail unit has been opened in the U.S.

Meeting: Great Eastern Hotel, E.C.4, May 28, at 11 a.m.

## Photax (London)

PROFITS before tax of Photax (London) improved from £234,282 to £238,173 in 1975 following the rise from £128,000 to £220,000 in the first six months. External turnover for the year, excluding VAT, increased from £2.63m. to £2.53m. Stated earnings per 25p share are up from 4.13p to 7.61p and a net final dividend of 1.67p makes a dividend of 2.21p compared with 2.0465p previously.

After tax of £176,689 (£128,458)

## Cavenham U.S.

Cavenham (U.S.) reports net profits of \$1,594,481 for the year to April 3, 1976, on sales of \$1.68m. The company is in its first year of operation, and is wholly owned by Cavenham U.S. In turn it owns 82 per cent. of Grand Union.

Imports, however, reached \$4,738,500,000 in 1975, a rise of \$961,000,000 over the previous year, principally due to imports of equipment and raw materials.

Remittances by Turkish workers abroad fell: £1,296,000,000 against £1,425,000,000. Tourism is expanding continually.

As regards the balance of payments, there was a deficit of about \$2,000,000,000 (\$720,000,000 in 1974), covered by capital movements, in particular by Convertible Lira deposits and by a drop in gold and foreign currency reserves, which fell from \$1,608,000,000 at end 1974 to \$1,165,000,000 at end of 1975.

BALANCE SHEET. There has been a noteworthy growth in the Bank's business, especially in Turkey, in large measure due to the reintroduction by the Turkish authorities of the system of Convertible Lira Accounts under which foreign depositors may place funds with a Bank in Turkey with a guaranteed rate of exchange at maturity. Your Bank has handled an appreciable share of this business which has contributed in substantial measure to the Balance Sheet total of just over £257,000,000 compared with £163,000,000 in 1974 — an increase of over 57%. This increase is reflected in all the main headings. Current, Deposit and Other Accounts have increased by £80,000,000; Cash, Money at Call and Bills Receivable total approximately £49,500,000 against £30,100,000 last year giving a ratio to Current, Deposit and Other Accounts of 25.4%. Advances to Customers increased by approximately £55,000,000.

PROFIT AND LOSS ACCOUNT. Turning to the Profit and Loss Account you will see that the profit for the year 1975 was £1,289,000 compared with £1,043,000 in 1974. From the 1975 profit must be deducted profits awaiting transfer amounting to £395,000 leaving a balance of £894,000; to this figure must be added £501,000 in respect of the remittance, already referred to, of profits of previous years bringing the total standing to the credit of the Profit and Loss Account to £1,395,000. Your Committee have decided, in view of the growth of the Bank's business, to transfer £400,000 to reserves.

From the Balance of £1,038,986 available your Committee recommend that a dividend of £1.90 per share be paid, which will require £950,000. In conformity with Article 40 of the Statutes, payments will also be made to holders of Founders' Shares of £180.04 per whole share, requiring £38,889, and a similar amount to Members of Committee, leaving £11,208 to be carried forward to next year.

net profit is £131,493 against £104,824. The Eastbourne based group makes and imports photographic equipment.

## Bellway down in first half

A FALL in pre-tax profits from £2.02m. to £1.38m. is reported by builders property developers and investors, Bellway Holdings for the half year ended January 31, 1976. Turnover amounted to £11.38m. compared with £11.18m. Stated earnings per 25p share are down from 3.5p to 2.1p. A net interim dividend of 1.2p against 1.1p is declared. For the year ended July 31, 1975, the total was 2.2815p from pre-tax profits of £3.8m.

The directors say the group is currently engaged in local authority housing contracts worth some £7m. which were 35 per cent. complete in January 31 this year. No profit from these has been taken into account in the half year results.

	1975-76	1974-75
Turnover	£11,380,000	£11,180,000
Profit before tax	£1,380,000	£2,020,000
Tax	210,000	220,000
Profit	£1,170,000	£1,800,000
Dividend	£1.2p	£1.1p
Retained	£1,050,000	£1,690,000

## comment

Although Bellway's activities in the cheaper housing development business can claim some resilience in local authority spending cuts, the 32 per cent. pre-tax profits decline in the first half, incorporating a 17 per cent. rise in income from property holdings, does imply something more than a mere decline in contract completions. However, with the charge of more than £1m. coming through in the current half from the £7m. worth of local authority contracts, a full-year total near last year's £2.2m. seems within reach. This would take into account a fall in interest charges later on when the current £4.56m. overdraft is expected to be cut by around £1m. Meanwhile, with losses now turned to profits on a system-built housing project in France, the group's figures in 1977 should reflect fully an upturn in sales in the housing market from now on. The shares at 45p give a prospective maximum yield of 84 per cent., covered two times.

## Cavenham U.S.

Cavenham (U.S.) reports net profits of \$1,594,481 for the year to April 3, 1976, on sales of \$1.68m. The company is in its first year of operation, and is wholly owned by Cavenham U.S. In turn it owns 82 per cent. of Grand Union.

## ISSUE NEWS AND COMMENT

## Bank of Ireland raises £11.6m.

The Bank of Ireland is proposing to raise £11.6m. by way of a rights issue. Preliminary results announced for the year ended March 31, 1976, show profit before tax of £23.1m. against £18.1m. with basic earnings per Capital stock of 64.7p (44.2p) or 51p (40.7p) fully diluted. The rights issue is on the basis of one £1 Capital stock for every 25 of existing stock or £14 of Convertible stock, at 250p each. Giving reasons for the issue the directors say that if the bank is to take full advantage of future opportunities to extend its activities it will be necessary to enlarge the capital base.

They regard the result for the year as satisfactory and a final dividend of 8.8p is recommended for a total equivalent of 12.3p against 10.4p. Though too early to forecast for the current year they expect to recommend a maintained dividend.

	1976	1975
Bank operating profit	£23,100,000	£18,100,000
Subsidised interest	4,300,000	3,700,000
Total	£27,400,000	£21,800,000
Add: provn. advances	2,700,000	2,700,000
Profit before tax	£30,100,000	£24,500,000
Tax	£11,440,000	£8,300,000
Minority	1,000,000	1,000,000
Attributable	£17,660,000	£15,200,000
Retained profit	£10,870,000	£9,100,000

Capital holders' funds £3,979,713.20  
Loan stocks £18,629,183.60  
Other accounts £1,379,127.60  
Sundry accounts £2,547,113.20  
Long-term assets £67,448,361.32  
Advances less provisions £29,187,627.37  
Items in transit £6,174,479.95  
Equipment £4,977,400.00  
Total £132,124,374.34

## comment

A summary of the figures has been given by the company and this shows a decrease in the value of capital stockholders' interest. After account is taken of the measured decline in the value of money, of £250,000.

The rights issue is underwritten by Morgan Grenfell and brokers are Cazenove and Co., Goodbody and Wilkinson and J. & J. Day. Dealings are expected to commence on May 10.

## C. E. Heath to double dividend

Insurance broker, C. E. Heath, is proposing to raise £10.1m. for the year to March 31, 1976, showing an increase in pre-tax profit from £3.5m. to £6.4m. is proposing a £2.1m. rights issue and a 20p share doubling of the gross dividend payment for the year to 20p per share. The rights issue will be to shareholders on April 9 on the basis of one-for-twelve at 30p each.

Given reasons for the issue the directors state that the impending move to Cuthbert Heath House will incur total costs of some £5m. Of this £3m. is being financed by way of a syndicated five-year bank loan, while brokerage income is up by 54.7 per cent. and the expense ratio down 78.3 per cent. to 70.6 per cent.

A final dividend of 4.7008p net per share makes a total of 6.6598p net—gross 10.232p (9.902p).

The company is in the process of reorganising the Australian underwriting operations. Currently the majority of business is handled by a subsidiary acting for Lloyd's underwriters, but in the light of legislation a substantial part must be handled in future by subsidiaries acting as insurance companies.

Having regard to the issue it is the intention to pay a gross total dividend for 1976-77 of 20p (10.232p) per share. Treasury permission has been obtained. Underwriting is by Baring Brothers and Partners are James Capel. Dealings will commence to-morrow.

Meanwhile preliminary results show earnings up from 19.6p to 26p, while brokerage income is up by 54.7 per cent. and the expense ratio down 78.3 per cent. to 70.6 per cent.

A final dividend of 4.7008p net per share makes a total of 6.6598p net—gross 10.232p (9.902p).

	1976	1975
Brokerage	£2,000,000	£1,300,000
Brokerage	£2,000,000	£1,300,000
Invest. inc. and int.	£2,500,000	£1,600,000
Expense	£1,100,000	£1,100,000
Underwriting	£2,500,000	£1,600,000
Profit commission	£700,000	£400,000
Prov. etc.	£200,000	£200,000
Invest. inc. and int.	£1,100,000	£1,100,000
Exp. net of recoveries	£1,100,000	£1,100,000
Our invest. inc.	£1,100,000	£1,100,000
Operating profit	£6,400,000	£3,500,000
Other income	£1,000,000	£1,000,000
Profit	£7,400,000	£4,500,000
Tax	£1,900,000	£1,200,000
Minority	£1,000,000	£1,000,000
Balance	£4,500,000	£2,300,000
Extraord. debt	£200,000	£200,000
Dividends	£2,000,000	£2,000,000
Retained	£2,300,000	£1,100,000

Health's pre-tax profits are almost £1m. ahead of most outside estimates. The added weakness of sterling through the final quarter





## TOM MARTIN METALS GROUP

The National Metal Merchants  
Mr. A. Hubert, O.B.E., F.R.S.A.

### Salient Points from the Chairman's Statement

- \* Dividend increased to maximum allowed under present legislation.
- \* Continued very strong liquid cash position.
- \* £1,254,000 Capital Expenditure Sanctioned.
- \* Rationalisation of manufacturing divisions completed, which should result in increased productivity and reduced overheads.
- \* New venture for the reclamation of silver commenced during the latter part of year.
- \* Volume of exports again increased.
- \* Substantial profit recovery expected in current year.

Group Profit Summary	1975	1974
Turnover	£17,244,280	£22,757,140
Trading Profit before Taxation	£1,606,156	£2,709,936
Profit after Taxation	£732,855	£1,255,721
Dividends	22.6287%	21.199818%
Earnings per share	4.8p	8.3p



Copies of the Report and Accounts may be obtained from the Secretary, Tom Martin Metals Group Ltd., Dickson's Street, Blackburn, Lancashire BB1 1RP.

## Hunting Assocd. up to £2.9m.

PRE-TAX profits of the Hunting Associated Industries group rose from £2,298,000 to £2,909,000 in 1975, a result which, chairman Mr. Clive Hunting says, the directors feel is in line with the "satisfactory increase" forecasted at half-year, when profits were up from £898,000 to £1,078,000.

And Mr. Hunting reports that the first few months of 1976 show the group to be on budget, with the prospect of another advance. The likelihood is that the increase will come from the UK-based companies.

He does point out, however, that the 1975 increase must be viewed against severe inflation "which erodes our working capital and makes real growth through re-investment increasingly difficult."

Earnings for 1975 per 25p Ordinary share, adjusted for the November last rights issue, are shown at 19.43p against 15.90p. The final dividend, on the enlarged capital, is indicated at 1.25p for which Treasury permission was obtained, to lift the net total from 2.047857 to 2.4p.

1975	1974
Profit	2,298,000
Aviation support	1,272,103
Engineering	1,021,897
Tech marketing	233,332
Survey, consultancy, etc.	69,667
Patent services	230,394
Associate profit	2,069,228
Corporation tax	114,274
Overseas tax	294,284
Deferred tax	1,840,150
Minorities	63,50
Amortisation	1,291,124
Interim dividends	74,64
Proposed final	89,64
U.K. £1,069,000 (1974 £1,000,000)	
Africa £110,000 (1974 £125,000)	
£250,000 (1974 £200,000)	

**comment**  
Although Hunting's half-time profits comparison was distorted by the different treatment of extraordinary provisions, this has been levelled out over the year and the annual profits are strictly

## Greenbank upsurge: 50% scrip

GROUP PROFIT, before tax, of Greenbank Industrial Holdings increased from £737,097 to £973,014 in 1975, after £389,000, against £281,415 for the first half.

A final dividend of 10p per 10p share effectively raises the total from 1.85p adjusting for a two-for-seven scrip issue, to 2.73p net.

And a further scrip issue, this time one-for-four, is proposed for holders registered on May 28.

1975	1974
Turnover	5,274,134
Trading profit	1,029,128
Depreciation	54,200
Profit before tax	973,014
Corporation tax	1,600
ACF	11,000
Net profit	444,294
Profit sales ratio	8.4%
Long London, Can. sub.	2,104
Net balance	444,294
Tax equalisation	32,712
Interim Ordinary	62,580
Recommended final	34,000
Retained	222,208

The book value of the two undeveloped sites has been reduced by about £130,000 on the basis of a professional valuation, which has been written off against 1975 profits.

Greenbank is a "close company."

## Grattan sales "reasonable"

While it is not possible for the chairman of Grattan Warehouses, Mr. R. H. Outhwaite, to forecast what lies ahead for the current year, he says the broad base provided by the wide range of goods in the catalogue will enable the group to take advantage of any improvement in demand "as and when it comes."

Sales so far this year from the Spring and Summer catalogue have been reasonable, he reports. Present conditions are expected to continue for some time and improvement, when it comes, may be gradual. Pressure on margins by costs and expenses will remain, the chairman says.

As reported on April 6, pre-tax profits for the year ended January 31, 1976, rose by 10.08 per cent to £9,700, on sales up by 13.34 per cent to £130,400. The net dividend is 4.743p per 25p share (4.481p).

Interest charges were down, helped partly by the reduction in rates, and the bank loan and overdraft was reduced, ending at £6.8m. The chairman considers the arrangements and facilities which the group has present to be suitable and sufficient for present needs.

Chairman's statement page 22

## Yorkshire Woollen optimism

WITH the pattern of profit of the latter months of 1975 continuing to date, Mr. G. D. Verity, chairman of Yorkshire Fine Woollen Spinners, is reasonably optimistic about 1976 results.

The forward order position for the woollen spinning plant should give a continuing high level of production well into the second half of the year, he tells shareholders.

Provided the group's particular markets remain reasonably buoyant, the woollen spinning and jersey dyeing and finishing results should be maintained. Textiles are "very patchy," reflecting the general situation, although there seems to be a general improvement abroad.

As reported on April 6, results for 1975 show a pre-tax profit of £27,407 against a loss of £73,602 and were achieved against the background of a year when many sections of the textile industry experienced great difficulties and showed a note of improvement at the year end. The dividend is a maximum permitted 1.5015p net (1.072p).

Profit last year would have been considerably better but for the losses incurred by the two woollen finishing plants whose fortunes are bound up with the fine worsted section of textiles which has been very badly affected by current trading conditions worldwide, says the chairman.

Woollen spinning has now returned to profitability and this has continued into the first months of 1976.

Meeting, Huddersfield, May 23.

## Savoy Hotel

The chairman of Savoy Hotel, Sir Hugh Wontner, told shareholders at the annual meeting that last year's increase in trading profits—from £2.1m. in 1974 to £2.44m.—was difficult and that it was "some indication of the continuous efforts we are making to improve our results."

Sir Hugh criticised the Government for creating an artificial stimulus through encouraging the building of more hotels and that this was based on over-optimistic estimates of the inflow of foreign visitors. He pointed out that the number of American visitors, the most valuable source of revenue, dropped by 18 per cent in 1974 and by a further 7 per cent last year.

# BRIDON

**'Because of the widespread nature of the Group we have the great advantage in benefiting from recovery whenever and wherever it occurs'**

Harry Smith, Chairman, reporting to Shareholders

Features from Bridon's Report and Accounts for 1975 and from the Chairman's Statement to Shareholders:

## Results

In 1975 trading conditions were generally difficult but we continued to benefit from a strong demand for many of our traditional products through the impact of the high price of oil to which I referred last year. We therefore achieved good results from all our overseas rope manufacturing companies and the results of British Ropes Limited in the United Kingdom and its European Subsidiaries were outstanding.

On the other hand there was a serious drop in demand for wire and wire products throughout the world which led to reduced profits from all our wire activities.

In the United Kingdom Bridon Fibres and Plastics Limited continued to be affected by the reduced volume of business attributable partly to the steady transition from natural to man-made fibres with their greater inherent strength and longer life.

Most United Kingdom engineering companies were seriously affected by the recession; on the other hand Ashlow Steel & Engineering Co. Limited continued to make excellent progress with trading profits for the year rising to a record level of £516,000. Ashlow has extended its range of advanced rolling mill equipment which is now attracting great interest in world markets and I am very confident for the future prospects of this company.

When referring to prospects at the time of the Interim Statement, mention was made of our expectation that the net profit applicable to Bridon Limited shareholders would be similar to the previous year. In the event, there is an improvement of £954,000 mainly due, firstly, to increased trading profits applicable to Bridon Limited and, secondly, to a lower tax charge in Associated Companies. The comparable figures are 1975 £8,942,000 1974 £7,988,000, and this comparison is more informative than the more usual comparison of group profit before tax due to the distortion which results when a group company changes from subsidiary to associate status or vice versa. At the beginning of 1975 a change of this nature occurred in North America affecting group profits before tax and also, of course, profits attributable to outside shareholders.

## Other important points

Successful issue of shares in 1975, yielding £8.9 million extra cash, reflected in stronger equity-borrowing ratio.

Exports from UK again a record at £32 million.

Expansion of Group's overseas activities continued in 1975.

New subsidiary in USA started production of polypropylene baler twine early in 1976.

Range of products to be made by the Group in Iran to be expanded to include fibre rope and cordage as well as wire and wire rope already planned.

New distribution companies formed in Hong Kong and the Dominican Republic.

US wire rope subsidiary to establish own plant to make roping wire.

## Prospects

Although we are beginning to see some improvement in demand for those products which have been seriously affected by the world-wide recession, this is not yet evident in all geographical areas.

In the United Kingdom I cannot detect any significant improvement in the level of home trade nor can this be expected until the latter part of the year. Shareholders will recall that we benefited significantly in 1974 from the effects of the high price of oil which led to greatly increased activity in oil exploration throughout the world: during 1975 the demand for oil began to fall due to the recession and this led to a lower rate of incoming orders from this industry. The most notable effect, however, is in regard to the North Sea area and I believe this is due not only to the general trading conditions but also to the commercial uncertainties created by the major changes in Government policy which followed the last election.

It seems probable, however, that as the year progresses we will see a general if slow recovery in trade which we forecast will offset the decline in demand for some of our products from oil exploration activity. We will also benefit from our investment programme which continued throughout the recession both in the United Kingdom and overseas and has been aimed at both increasing capacity and improving productivity. Results in 1976 will depend on the rate of improvement in world trade and this is at present hard to predict: because of the widespread nature of the Group we have, however, the great advantage in benefiting from the recovery whenever and wherever it occurs. On the basis of a slow recovery in general demand we presently estimate our profits for 1976 will be similar to those of the previous year.

## 1975 Financial Results in brief

	1975 £ million	1974 £ million
Turnover including Share of Associated Companies' Sales	32.0	25.8
Exports from United Kingdom	83.6	73.5
Other Overseas Sales	115.6	99.3
United Kingdom Sales	99.3	84.6
Profit before taxation	17.0	16.9
Profit after taxation applicable to Ordinary Shareholders	8.9	8.0
Earnings per Ordinary Share in pence	18.8p*	19.3p
*adjusted for Rights Issue in 1975		
Dividend per Ordinary Share	5.5p	3.74p

The Annual Report and Accounts are obtainable from The Secretary, Bridon Limited, Warrsworth Hall, Doncaster, South Yorkshire DN4 8UX.



Harry Smith, Chairman, who retired from the position of Chief Executive last February:

"I look forward immensely to a continuing relationship with the Company..."

"...our confidence in Mr. Fenwick Smith and our conviction that he will fill this position with great distinction."

Peter Fenwick Smith, Bridon's new Chief Executive.



The Bridon Group includes British Ropes Limited, Bridon Wire Limited, Bridon Fibres and Plastics Limited and over 50 production and distribution companies in 24 countries in Europe, North America, Latin America, Africa, Asia and Australasia. Bridon also exports to over 100 countries. With 25,000 people employed in subsidiary and associated companies, Bridon is a world leader in its own fields of marketing and distribution, technology and manufacture.

### Main markets

The main markets to which Bridon companies supply wire, wire rope, fibre rope and cordage, and other plastics products, together with a range of related engineering products, are:

### Construction

Earth-moving and land reclamation, prestressed concrete, high-rise buildings, suspended structures and buildings, lifts, cranes and lifting equipment.

### Power

Coal, oil and natural gas, nuclear energy, electricity transmission, pipelines, pneumatics and fluidics.

### Transportation

Suspension and motorway bridges, motorway safety barriers, shipping including containerised cargo, aerial ropeways and monorail systems, rubber reinforcement in tyres.

### Exploration

Mineral mining and dredging, offshore and land oil and gas drilling, oceanology. Engineering and production Materials handling, springs, fasteners, engineering components, filtration, rolling mills.

### Communication

Transmission masts for television, radio and telecommunications, submarine cables.

### Agriculture, horticulture and fishing

Harvesting, fencing, inshore, middle-water and deep-sea fishing.

### Print, packaging and distribution

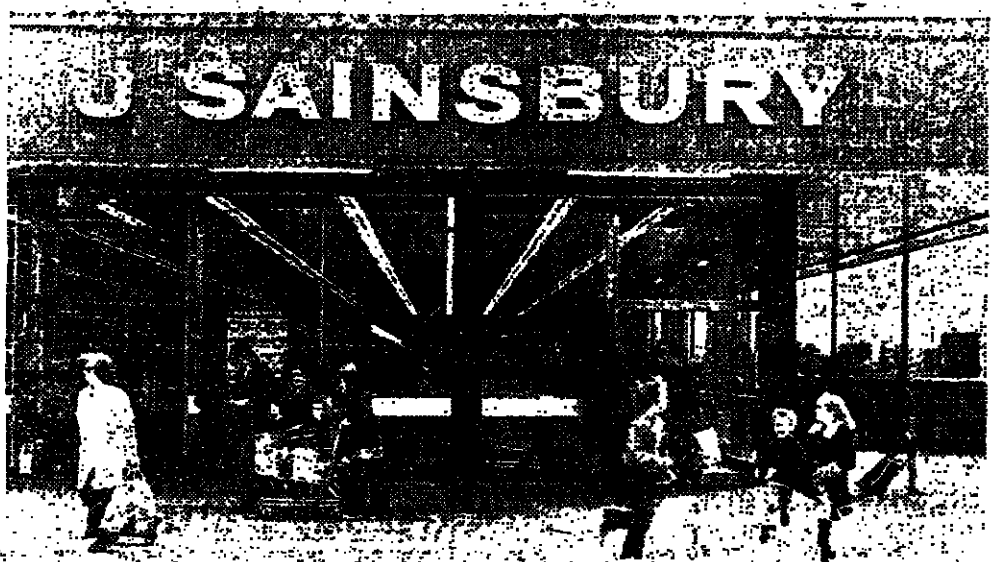
Packing cords and twines, automatic packaging systems using non-metallic strapping.

### Leisure

Mountaineering, water-skiing, yachting, ski-lifts.

Where 1975 income was earned: profit before interest and taxation

United Kingdom including exports from UK	43%
Europe	13%
North, Central and South America	23%
Africa	20%
Asia, Australasia and the Pacific	1%



## SAINSBURY'S Preliminary Results

Salient points from the Chairman's Statement

• Sales during 1975/76 increased by 20% to £543m, and profits before tax improved by 5.4% to £15.4m (£14.6m). There was a considerable improvement in the second half's profits at £9.7m over the first half's £5.7m.

• The reason for the improvement was a more buoyant turnover without a proportionate increase in costs, especially wages and salaries where increases date from the start of the year. In the second half sales increased in real terms despite intensifying competition and at a time when national expenditure on food was failing to keep up with rising prices.

• The increase in sales was made possible by a continuation of our expansion programme. During the year we opened 17 new supermarkets (13 of them in the second half) with an average sales area of 19,500 sq. ft. We also opened 11 new freezer centres and freezer food departments during the year, bringing our total number to 18.

• During the first three quarters of the year our net profit before tax represented 60% of our Price Code reference level at 2.4% net margin. This compares with the average for reporting food and drink retailers at 51% of their reference level and a net margin of only 1.7%.

• Retailers' margins and food prices have been held down during the last year by increasing competition rather than by the Price Code. In a trade as competitive as food distribution the Government should place less reliance on price regulations and greater emphasis on encouraging competition, initiative and enterprise by those whose very existence depends on how well they serve their customers and how successful they are in keeping down prices.

• In the 1976/77 financial year, we expect to open a further 10 stores, with an average sales area of about 20,000 sq. ft., thus adding 10% to our sales area. We shall also have the benefit of a full year's trade from the large number of stores opened during the second half of 1975/76.

• The Directors are recommending a final dividend of 3.25p per share which is equivalent to a gross dividend of 5.0p per share, making a total for the year of 7.538p per share, the maximum permitted under current legislation.

### Results at a glance for the 52 weeks to 6th March 1976

	1976 £000	1975 £000
Turnover—includes VAT £8.7m (1975 £7.3m)	543,443	452,804
Profit before taxation		
Retailing—net margin 2.83% (1975 3.17%)	15,372	14,337
Associated Companies—share of profit	45	292
	15,417	14,629
Taxation	8,018	7,766
Profit after taxation	7,399	6,863
Extraordinary items	717	—
Surplus	8,116	6,863
Earnings per share		
Before extraordinary items	8.92p	8.42p
After extraordinary items	9.79p	8.42p

J Sainsbury Limited, Stamford Street, London SE1 9LL



# Bestobell Limited

An International Engineering and Chemical Products Group

## 1975 profits £5.7m

### -up 17%

## 120% Increase in 3 years

	1975	1974
Sales	£63m	£53m
Profit before tax	£5.7m	£4.9m
Profit after tax	£2.9m	£2.3m
Earnings per share (adjusted for rights issue)	22.9p	21.3p
Dividend per share	7.68p	7.06p

- Increased profits for fifth successive year despite difficult trading conditions.
- Profit contribution from Overseas Companies rose from 53% to 62%.
- Return on Capital Employed best ever level of 25.5% (1974 - 23.9%)
- Dividend raised by permitted maximum on increased share capital; covered by earnings 2.2 times.
- Production range and geographical coverage being extended. Longer term prospects good.



Chairman Sir Humphrey Browne

The Bestobell Group employs about 6,000 people in 29 operating companies located in 18 countries. Main products and activities include:

VALVES AND CONTROLS: AIRCRAFT COMPONENTS: CHEMICAL PRODUCTS: INDUSTRIAL SEALS AND MOULDINGS: PAINTS AND DOMESTIC PRODUCTS: THERMAL AND ACOUSTIC INSULATION.

Copies of the Report and Accounts are available from the Secretary at Stoke House, Stoke Green, Stoke Poges, Bucks. SL2 4HJ.

# 3

## Prattan

CATALOGUE MAIL ORDER



### Satisfactory results in a year of difficult trading conditions

Key points from the Statement by the Chairman, Mr. R. H. Outhwaite

Sales amounted to just over £170m, an increase of some 13.3%. Trading Profit at £2,794,000 was up by 10%. A year ago, I commented that the economic problems within the country would continue, as would the pressure on profit margins within the Company. That was not a very clever statement but it certainly turned out to be a true one. Under these conditions, I feel that the increase in trading profit is satisfactory. Had the volume of sales in the second half of the period come up to our expectations, it would have been even more encouraging but trading generally was not buoyant.

I think the present trading conditions are going to continue for some time and improvement, when it comes, may be gradual. Pressure on profit margins by costs and expenses will remain.

It is in the interests of the country as a whole, as well as this Company in particular, to have efficient and effective Postal and Transport systems. I hope the Authorities concerned will be allowed to plan and operate with that in mind in the future.

The whole subject of communications with agents and customers and the methods available for the carriage of our goods is of great concern to us and we continue to give it our attention.

Growth is important to a Company at any time, but growth without profit under the present conditions is not in the long term interests of a Company. Today, our efforts must be directed towards profitable growth. Our market share has varied over the years but has never been our main target. We have aimed our rate of progress as being suitable to our Company's needs. However, we shall be ready to take full advantage of any improvement in trading conditions.

We have available within our buildings and systems the capacity to handle the work involved.

#### PEOPLE

Today, people have an important role to play and one of great responsibility. Machines - Systems - Companies, are all dependent on people and any success or failure which is achieved is influenced by the individuals involved. Your Company is concerned with many people - the many who provide the goods we sell - the staff, in whatever department in the Company they work. I appreciate the way they have helped in their particular ways to surmount the varied and numerous problems which have faced us - we are all dependent on each other and it is vital that we work together to provide our many Agents and Customers with what they want, when they want it. Only by doing this will they be encouraged to continue, buying their requirements from us.

There are many advantages which attract people to buy from mail order through an agency system such as ours.

It is a competitive market. The price stability during the life of a catalogue which runs for a period of about six months.

There are savings to agents and customers in bus fares, petrol and other travel expenses associated with conventional shopping.

There is a wide selection of merchandise.

Simple credit facilities are available.

All in all it is an attractive and reliable system.

#### FINANCE

When I commented on this subject last year, it was under the shadow of a large increase in Bank Overdraft to £2.5m and the prospects of further large increases in running costs to follow. I said that action had been and was being taken to ensure that our money was being used efficiently.

I am glad that this year you see the measure of success which has been achieved by the efforts of staff at all levels - the amount paid in interest charges is down, helped partly by the reduction in rates and the bank loan and overdraft was reduced and ended at £2.8m. I consider the arrangements and facilities which we have at the moment are suitable and sufficient for our present needs.

#### SHARE OPTION SCHEME

I am glad arrangements for the Own-As-You-Earn Scheme are being proposed and hope they will be given approval at the Extraordinary General Meeting. Subject to very modest qualifying requirements, all Staff will then have the opportunity of becoming more closely involved with the Company by means of a simple index linked Save-As-You-Earn scheme through the Department of National Savings.

#### INFLATION ACCOUNTING

There has been a qualified welcome by the Accountancy Bodies and the Stock Exchange to the Report of the Inflation Accounting Committee (Sandilands Report).

Another Official Steering Committee is now studying the proposals and many changes may still need to be made before an acceptable Accounting Standard can be reached.

We are also considering the proposals, described as Current Cost Accounting, but it would be inappropriate and perhaps misleading to include any supplementary statement at this stage.

#### LOOKING AHEAD

Sales so far this year from the Spring and Summer catalogues have been reasonable. Whilst it is not possible for me to forecast what lies ahead for the rest of the year, the broad base provided by the wide range of goods for sale in the catalogue will enable us to take advantage of any particular improvement in demand as and when it comes.

The Annual General Meeting will be held in Bradford on May 31st.

The Report and Accounts are available from The Secretary, Gratton Warehouses Ltd., Anchor House, Ingley Road, Bradford, Yorkshire BD9 2XG.

## Sainsbury ahead after second half recovery

THE SIGNIFICANT improvement in profits forecast for the second half by J. Sainsbury turns out to be 24m over that of the first six months. Therefore, for the year ended March 6, 1976, total profit is ahead £788,000 at £15.42m.

Reason for the improvement was a more buoyant turnover without a proportionate increase in costs, especially in wages. In the second half, sales rose in real terms despite intensifying competition and at a time when national expenditure on food was falling to keep up with rising prices.

Including VAT, sales advanced £90m to £543.44m, made possible by a continuation of the expansion programme.

Earnings are shown at 8.52p against 8.42p per 25p share. After extraordinary credits this time the figure is 9.79p. The final dividend is 3.25p for a net total of 4.9p against 4.5p.

During the year 17 new supermarkets were opened (12 in the second half) with an average sales area of 18,500 square feet. Of the new stores eight might be described as superstores, having areas greater than 20,000 square feet (the largest 37,000 square feet).

After allowing for the closure of five older supermarkets (four replaced by new stores), total supermarket sales area increased by 300,000 square feet to 2.1m. square feet.

With the opening of 11 new freezer centres and freezer food departments, the total is 18. Freezer food departments are being established in those supermarkets with sufficient space.

Financing of the programme was facilitated by more stringent control of working capital and by stock application relief. A limited programme of sale-and-leaseback has also commenced, the results of which will begin to be reflected next year.

In the current year Sainsbury expects to open 10 more stores, with an average sales area of about 20,000 square feet, thereby adding 10 per cent to its sales space.

Chairman Mr. John Sainsbury is encouraged by what appears to be greater recognition by the planning authorities of the value of permitting a limited number of edge-of-town supermarkets or superstores.

A number of new developments of this nature will make a direct contribution to lowering the cost of food distribution while, at the same time, helping to reduce unemployment in building and allied trades.

In a reference to price controls he says if they assist the national effort to reduce inflation now they must be accepted, provided that in future the need to encourage efficiency and reward investment is more fully recognised.

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See Lex

#### BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends concerned are interim or final, and the sub-divisions shown below are based mainly on last year's timetable.

#### TO-DAY

Interline-Lighting and Leisure Industries National and Commercial Banking

Pease-Clement Clarke, Robert Estates, Dorsetshire Rubber, Dunlop, Fortnum and Mason, Guardian T.V. Trust, Hoobin and Horton, Lovell's Shipping, Marshall's Universal, Maxima, Peacock, Santa Maria, Robert Adams, Telford Corp., United Capital Ltd. Trust.

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The Financial Times Thursday May 6 1976

## Burton first-half downturn

FIRST HALF sales to February 23, 1976 of the Burton Group increased by 8 per cent to £70m, but pre-tax profit fell from £1.9m to £1.0m.

Trade in the second half is following the national trend and has been disappointing, particularly since the Budget. Sales since March 1 have been at the same cash level as last year and it is therefore likely that profit in the second half will be less than in the first, the directors state. Profit for the year to August 30, 1976 was £2.5m.

As before, the interim dividend is 1.4785p net per 50p share. Last year's final was 2.085p net.

25 weeks

1975 1974

Group sales £70.0m £62.0m

Operating profit 1.0m 1.9m

Other costs 0.1m 0.2m

Interest 0.1m 0.2m

Profit before tax 0.8m 1.5m

Profit after tax 0.6m 1.1m

Net profit 0.6m 1.1m

Dividend 1.4785p 2.085p

Other dividends 0.1m 0.2m

Less other profits including those of subsidiaries 0.1m 0.2m

Although conditions were "very difficult", profits of Burton Menswear and Ton Shop were slightly higher. Rymah, Greens and Pats Robinson made losses which were lower than in the second half of last year but higher than in the first half.

Progress in the reorganisation and rationalisation of the business is in line with management plans, the directors add.

Borrowings are now well below bank facilities and new arrangements for funding of the men's wear credit operation were completed on March 1.

No reserve has been made in the half year to meet the further sterling devaluation of the overseas debt. The appropriate reserve will be made at the year end.

See Lex

## Continental Union advance

GROSS INCOME for the year March 31, 1976, of Continental Union Trust rose from £1.01m to £1.18m, and net revenue advanced from £420,150 to £495,426 after tax of £335,595 compared with £264,408.











# Marathon Energy, Ltd.

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## Marathon Oil Company

has acquired more than 95% of the  
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May 4, 1976.

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Euro-Latinamerican Bank Limited—EULABANK

Citicorp International Group

### CINEMAS—(Cont.)

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**ODEON LEICESTER SQUARE (930 5111)**  
SPECTACULAR SPICE  
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**ODEON MARBLE ARCH (722 2019/21)**  
THE FLY OVER THE CUCU'S NEST  
Fri and Sat 7.30, 9.30, 11.30. Sun. 2.30, 4.30, 6.30, 8.30, 10.30. All seats may be booked.  
**PLAZA 1 & 2, Regent St., S.W.1 (839 6484)**  
Sole. Part. All seats bookable for  
Fri and Sat 7.30, 9.30, 11.30. Sun. 2.30, 4.30, 6.30, 8.30, 10.30. All seats may be booked.  
**PRINCE CHARLES, Ltd. 437 8181**  
2nd Year. EMMAJUELL (K1) 2nd Part. Fri and Sat 7.30, 9.30, 11.30. Sun. 2.30, 4.30, 6.30, 8.30, 10.30. All seats may be booked.  
**RITZ, Leicester Square, 437 1254**  
CHIMATOWN (K1). Daily 12.45, 2.15, 4.45, 7.15, 9.45. All seats may be booked.  
**SCENE 1, 2, 3, 4, LEIC. SQ. (WARDOUR ST) 433 4470**  
SCENE 1: Cont. Part. Div. 12.30, 2.30, 4.30, 6.30, 8.30, 10.30. All seats may be booked.  
**THE PRESIDENT'S MEN (AA) 1002**

### ART GALLERIES

**ANDRE DERRAIN—Sculpture in bronze**  
—Victor Waddington, 25, Cors. St. James, W.1. Daily 10.1. 2.15-5.30. Sat. 10.1. Until 22nd May.  
**COLMAGHIE, 12, Old Bond St., W.1. 01-491 7406. PERSIAN AND MICHAL ART until 20 May. Mon-Fri. 8.30-5.00. Sat. 10.1.**  
**CURWEN GALLERY, 1, Colville Place, Charlotte St., W.1. 01-493 1439.** Exhibition of 18th Century Paintings. Phil Griffin new sculptures to May 7.

## ZAMBIA COPPER INVESTMENTS LIMITED (ZCI)

(Incorporated in Bermuda)

REPORT FOR THE QUARTER ENDED 31st MARCH 1976  
(Covering mining company operations for quarter ended 31st December 1975)

ESTIMATED CONSOLIDATED RESULTS FOR ZCI FOR QUARTER AND  
NINE MONTHS ENDED 31st MARCH 1976

	Quarter ended 31st March 1976 U.S. \$ 000's	Nine Months ended 31st March 1976 U.S. \$ 000's	Year ended 30th June 1975 U.S. \$ 000's
Dividends received or accrued from (Note 1)			
Nchanga Consolidated Copper Mines Limited (NCCM)	—	—	10 332
Roan Consolidated Mines Limited (RCM)	—	—	2 772
Other	—	—	4
Interest receivable and other revenue less provisions (including expenses and foreign taxation (Note 3))	272	450	2 802
Adjustment arising from currency fluctuations	272	458	15 910
Less: Transfer from (to) currency reserve	4	507	(27)
Surplus on redemption of Government loans	13	304	—
Less: Transfer to capital reserve	13	304	—
Less: Amount written off investment in prospecting companies (Note 3)	—	—	244
	272	458	15 966
Dividends declared:			
Amount	Nil	Nil	4 902
—per share	Nil	Nil	4
			(U.S. cents)

### Notes:

1. DIVIDENDS  
No dividends were declared by NCCM or RCM for the quarter ended 31st December 1975.

### 2. FUNDING OF CASH SHORTFALL

As mentioned previously, it has become necessary for ZCI to obtain loans at commercial rates of interest from Minerals and Resources Corporation Limited (Minroco), which must be repaid before any further dividends can be paid to ZCI shareholders. The item "Expenses" in the tabulation above includes interest paid to Minroco on such loans. As at 31st March 1976 these loans totalled U.S. \$1 997 459.

### 3. PROSPECTING EXPENDITURE

No provision has been made for amounts to be written off prospecting investments in respect of the quarter, as this is considered annually at the financial year end.

ZCI has a 49 per cent interest in NCCM and a 12.25 per cent interest in RCM. The estimated results of NCCM and RCM for the quarter ended 31st December 1975 are as follows:

	Quarter ended 31st December 1975	Nine months ended 31st December 1975
<b>NCCM</b>		
Production (metric tons)		
Finished copper	102 417	278 217
Lead and zinc	14 182	47 984
Sales (metric tons)		
Copper	78 937	271 973
Lead and zinc	15 458	39 858
Average copper proceeds (per metric ton)	K764	K774
Sales revenue — all metals	K68 300 000	K232 300 000
Net profit (loss) after taxation	(K2 200 000)	K3 800 000
Ordinary dividends	Nil	Nil
*Broken Hill division		
<b>RCM</b>		
Finished copper produced (metric tons)	64 515	129 218
Copper sales (metric tons)	59 182	117 330
Average proceeds (per metric tons)	K760	K763
Sales revenue — all metals	K47 351 000	K94 001 000
Net profit (loss) after taxation	(K835 000)	(K1 609 000)
Dividends	Nil	Nil

By order of the Board  
Z. J. De Beer }  
G. W. H. Rely } Directors

Pembroke, Bermuda  
5th May, 1976  
U.K. Registrars:  
Charter Consolidated Limited,  
P.O. Box 102,  
Charter House, Park Street,  
Ashford, Kent, TN24 8EQ

South African Registrars:  
Consolidated Share Registrars Limited,  
62 Marshall Street,  
Johannesburg 2001,  
(P.O. Box 61051, Marshalltown 2107),  
Transvaal, South Africa

Registered Office:  
Belvedere Building,  
Pitts Bay Road,  
Pembroke  
(P.O. Box 650 Hamilton St.),  
Bermuda

These Notes having been sold, this announcement appears as a matter of record only.

New Issue

April 28, 1976

\$100,000,000

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New Court Securities Corporation New Japan Securities

SoGen-Swiss International Corporation UBS-DB Corporation







# FINANCIAL TIMES REPORT

Thursday May 6 1976

## Word Processing

The First National Word Processing Conference and Exhibition is being held next week at the Cunard International Hotel, West London, May 11 to 13 inclusive.

Despite the technical advances in word processing equipment, the market is not expanding as rapidly as might be expected. This is particularly true of Britain, where one inhibiting factor seems to be the relatively low level of office costs.

### Aids to cutting office costs

WORD processing as a term and as a concept has already become well known in the U.K. and Europe. That is some improvement on the situation which existed even two years ago when many people professed ignorance of word processing. Yet in spite of this positive development, the market itself has hardly expanded at all, at least in the U.K. This is mainly because of the reluctance by companies to invest in equipment at a time of economic recession. But it also reflects some basic differences between offices in the U.K. and offices in the rest of Europe or in the U.S.

For a start, office salaries in the U.K. are about the lowest in Europe, apart from Italy and Spain. So when companies begin to weigh up the cost advantages of using more productive equipment to save on staff salaries, the benefits in the U.K. do not

look as convincing, especially since the machines are sometimes costlier than in other countries because of the currency situation.

Lower office salaries reflect not only the general condition of the U.K. economy vis-à-vis its other trading partners, but also the lower status given to business in general and office environments in particular. To an American or German businessman, having the latest and most efficient equipment is important because it reflects his status and because his position with top management can be improved if he can get his office overheads down.

Unfortunately that attitude does not exist in the U.K. So whereas word processing has been very successful in the U.S. and in European countries like West Germany, the market remains underdeveloped in the U.K. A study by Quantum Science Corporation predicted that while the electric typewriter market in the U.S. would peak in terms of annual sales during this year, the word processing market would rise at an average annual rate of 18.5 per cent. between 1973-78 to reach sales worth about £250m. in 1978. According to its forecasts, sales of word processing systems would outpace sales of electric typewriters by next year.

That is an unsettling thought for the U.K. where we have just started to convert from manual typewriters to electric typewriters. Electric typewriters, sold for the first time in

1974, so the conversion to modern equipment is very recent.

However, the picture is not quite so bleak according to a study by Mackintosh Consultants which has predicted that the word processing market would grow at 22 per cent. a year between 1974-79—notably a faster rate than Quantum Science Corporation predicted for the (more advanced) U.S. market. The evidence to date, unfortunately, does not support Mackintosh's predictions for the market in the U.K. has remained more or less static over the past three years at around £12m. Presumably things could pick up once the economy improves and management becomes amenable to spending money on equipment again.

### Estimate

For the record, Mackintosh's estimate was an annual market worth £44m. a year by 1978 and an installed base of 70,000 machines. Even if that prediction does come true, there will only be about seven word processing machines for every 1,000 office workers in the U.K. And that compares with about 16 machines per 1,000 office workers forecast for Germany in 1979.

That the U.K. market will grow seems certain. Word processing brings many benefits and these may be too strong to deny, especially if office salaries started rising sharply again, as seems likely once the



Olympia's new TE 6010 Memory Typewriter, costing £3,190. It has a memory of 4,000 characters as well as 50 track stores of 4,000 characters each. The memory can be used for reports, drafting, or repetitive letters without using the normal storage of magnetic cards or tapes. The machine types with the new Olympia single element "golflink" type typewriter.

current wave of incomes constraints have come to an end. The pay spiral and the increasing paper load of business are the two main reasons why many people on both sides of the Atlantic have predicted a bright future for word processing.

By capturing texts on magnetic cassettes (or even on mini-computers) the process of

paper and staff costs are rising inexorably, costs of computers and processors are falling.

With the shortages of staff and rising costs, management must face the prospect of costing office work in the same way that the factory floor was costed after the war. Even today there are not many organisations that know how much their offices are costing them. Yet it is not uncommon nowadays to find that office costs can account for 40-50 per cent. of a concern's total overhead structure, even in the manufacturing sector.

The next stage after costing out expenses is to investigate ways of reducing the administrative overheads. For this, the most up-to-date equipment should be examined to improve productivity.

In most offices, a typist can be wasting her time in two ways—first by having to retype because of errors (her own or her boss's) and second by all the other tasks she may be required to do in the office from filing to making appointments. Instead of producing the 1,000 or more lines that her theoretical speeds suggest she should be able to, she is only producing about 400 lines a day.

By using a word processing system that records everything she types—either on paper tape, magnetic tape or card, or mini-computer—it is possible to reduce retyping to the barest minimum. Once the text is known to be correct it can be automatically reproduced at

constant speeds of 180 words a minute or even faster. And that's where the productivity benefits come in.

For the typist, it means more time for more enjoyable work or alternatively (in concentrated word processing centres) an improved output which can be geared to remuneration. But to understand the concept is not enough. The potential user should know exactly what word processing can do in his organisation. So it is often advisable to undertake in-depth studies on the work flow in the office and how it can be improved using word processing. Many of the equipment companies can help in this exercise for those companies that do not have their own O and M departments.

### Choice

The next step is to decide which equipment would best suit your requirements. There is a wide choice in the market which can be confusing but it is worthwhile to shop around before making your choice. Two main pit-falls are the uncritical inclination to go for the well-known brands (which can be much more expensive without giving better productivity) or to buy the cheapest equipment, which may also be the most limited.

The number of companies entering the market in the U.K. is increasing at quite a rapid rate. Not all of these companies have the adequate resources to

provide the kind of back-up services necessary to ensure continued use of the word processing systems, which often require frequent servicing.

But at least the horizons are being widened and today the user has a choice of straightforward machines with in-built memories; or the use of visual display terminals that show the text as it is being typed (making it easier to correct and edit); and even computer-based systems that can store a large volume of information, thus extending the areas in which word processing can be used beneficially.

Another decision which the potential user will have to make is whether to buy the equipment or rent it. But this will depend more on his cash flow position and state of business than other factors—the basic factors are no different from those for any other equipment.

Finally, there is the impact on staff. Although word processing can reduce costs because it requires fewer people to process a given amount of work, the introduction of word processing systems need not necessarily lead to redundancies. Staff turnover among typists is invariably high and most companies can handle the situation through natural wastage. In some cases, the systems can add to job satisfaction provided that typists using the equipment are given adequate scope to enlarge their jobs.

Roy Levine

## NOW, WORD PROCESSING CAN BE YOURS FOR £2,875

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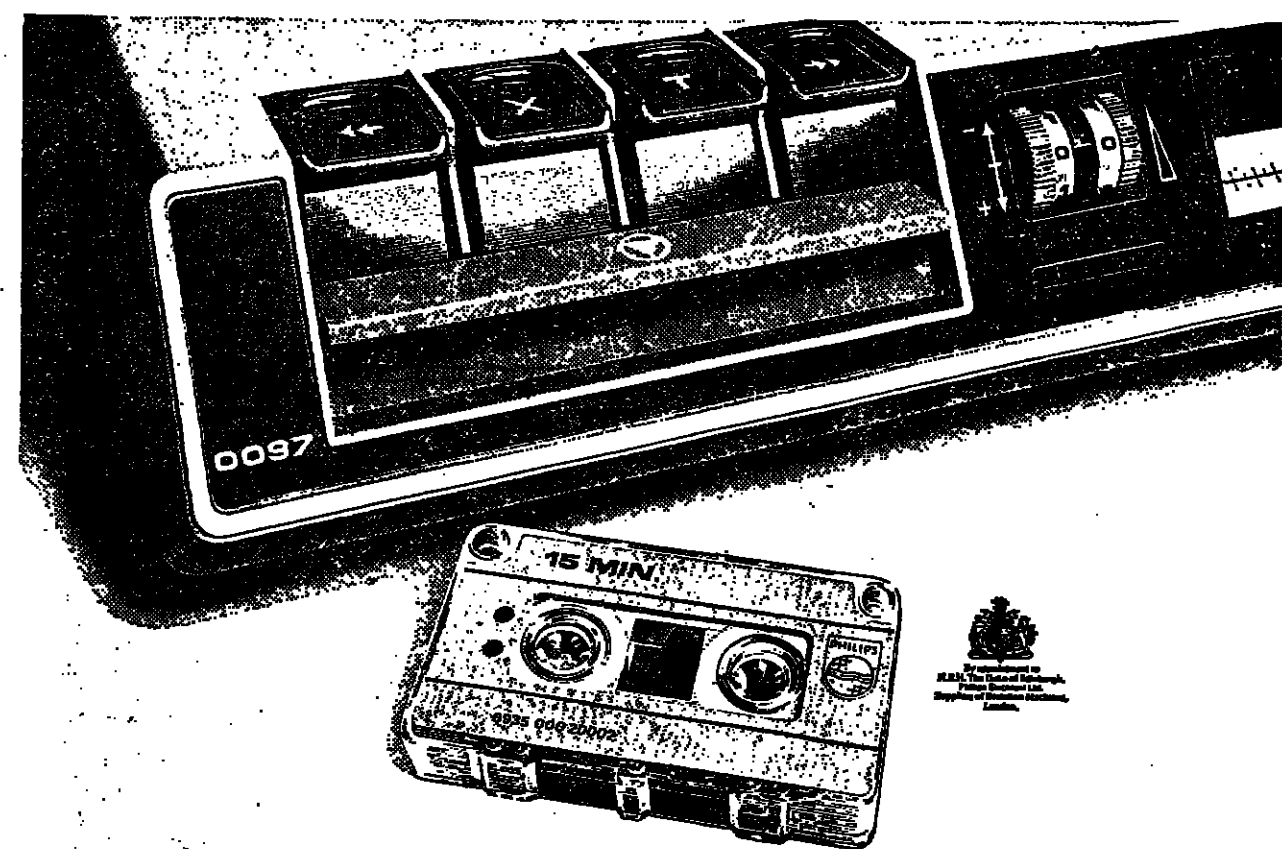
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Company .....  
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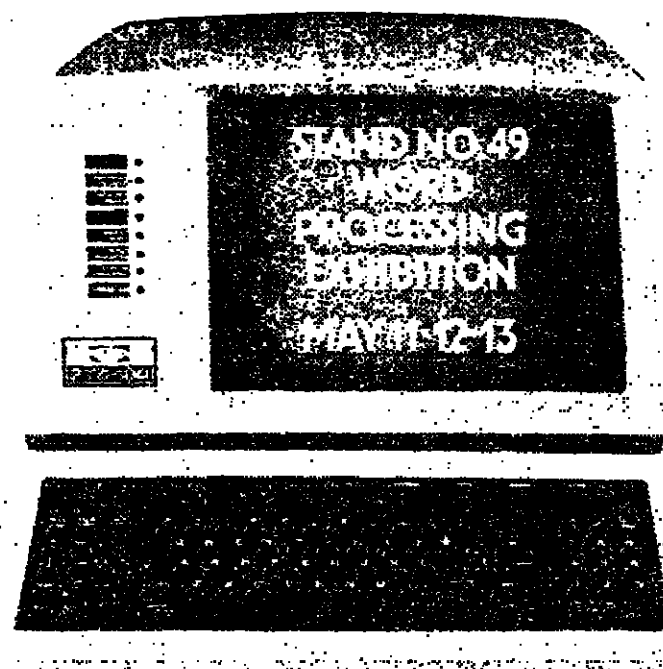
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## WORD PROCESSING II

# Linking to the computer

THE MAIN breakthrough that word processing brought about was the storage of texts on magnetic media such as tapes, cassettes or cards. By storing texts in this way it became possible to reduce the time and expense of reproducing texts. The problem is that magnetic tapes or cards can only store a given amount of information. This means that the word processing system is limited to applications where the information is not voluminous.

To overcome this problem, a basically simple step was taken to store information on microcomputers attached to the typewriters. This expands the amount of texts that can be kept and used for a word processing application. Although the equipment is of course much more expensive than conventional word processing systems, the productivity benefits they can bring can more than outweigh the additional cost for some applications. One of the first applications of "text processing" (as it is known) in the U.K. was at Unilever which designed its own system along with the consultants, Logica.

The system, called Unicomp, includes visual display units (VDUs) on which the typed texts appear. Each VDU has a keyboard on which the text is typed. Up to 20 lines of text can then be displayed on the VDU from which it can be edited and amended.

The computer link offers several advantages like code words for entry giving better security, reproduction of forms (about 70 per cent of Unilever's typing volume is for internal texts), mistake indicators, and the ability to store texts for given periods of time after which it is automatically discarded.

### Speeds

Once the text has been edited on the VDU the typist presses a button. The text is then reproduced at a separate station at draft speeds of up to 30 characters a second on continuous stationery. Alternatively, it can be printed on letterheads using the interchangeable IBM golf-ball terminals at 13 characters per second. One disadvantage of Unicomp is that the VDU's cannot be placed more than 2,000

feet from the computer. But eventually it is hoped to superimpose the system on the group's new telecommunications network linking over 30,000 desks in the U.K. and the Continent.

The equipment used in the system includes 8 CRT terminals linked to a standard small computer and associated file store on magnetic discs. The hardware used is Raytheon's PDS100 plus Terminus printers and GTE versions of the IBM golf-ball typewriters.

Productivity benefits at the typing pools which have used Unicomp have been impressive. Error correction and re-work (author corrections, paragraph insertions and so on) has been reduced to less than 10 per cent of a typist's average day instead of between one-third and one-half of her time. As a result, the output done by eight operators at the group's St. Bridget House, for example, is about 60,000 words a day. That volume normally requires 24 girls in the conventional typing pool. Thus the costs of the system at £20,000 a year in depreciation and maintenance has more than paid for itself.

There are plans to market the system in the U.K. either through Logica or a joint company. But since Unicomp was first used over a year ago, there have been other systems that have come onto the market, mainly from the U.S.

One new text editing system launched in the U.K. in March is called Wordplex and is made by Ventek International, the Canadian computer company. The system will be marketed in the U.K. by its subsidiary, Ventek. Like Unicomp, the system is designed to produce letters, reports and other texts using a computer, typewriter keyboards and visual display units.

### Stored

Letters and reports typed on a keyboard appear on the VDU which makes it easier to edit and amend. Once the copy is perfect it can be stored in the mini-computer which has a capacity of up to 75,000 normal pages. When the texts need to be reproduced they can be printed at various speeds of up to 800 lines a minute depending on the quality required.

Texts produced in this way in an office that has a high volume of correspondence or reports can be much cheaper than those produced on a normal electric typewriter. But the equipment costs from £4,500 to £7,000 for each keyboard and VDU depending on the number computer.

Another new system which will be shown at the First Word Processing Conference and Exhibition in London this week will be the VDS-80, marketed in the U.K. by Word Processing Associates. This consists of an input keyboard with a few extra control keys, a CRT-type VDU, a central processor-disk memory-control unit, plus a device which prints typewriter characters on sheets or continuous stationery at more than 500 words a minute. All three units are housed in a single desk. The price is £3,750.

Lastly, there are the two sophisticated systems that IBM have had on the market called ATMS stands for Advanced Text Management Systems and are the same idea as the other two. Text is entered on a terminal and stored in the computer system as the original draft is typed. Errors can be corrected during or after key-boarding. At the same time for-matted instructions can be typed in at relevant points. Alternatively, sets of instructions can be pre-stored by the computer.

A further dimension of text processing can be introduced by using the communicating versions of the IBM magnetic card typewriters. This can be used for coloring texts into the in the U.K. by Word Processing Associates. This consists of an input keyboard with a few extra control keys, a CRT-type VDU, a central processor-disk memory-control unit, plus a device which prints typewriter characters on sheets or continuous stationery at more than 500 words a minute. All three units are housed in a single desk. The price is £3,750.

Then as a user make an inquiry, the system refer to the "dictionary" to check the references. Hence a library's facts can be searched quickly and information retrieved either on paper or on screen.

R. I

## The choice of systems

THERE are a large number of machines to choose from in the word processing field. Over 20 companies have come on to the market and while some of them sell only a single machine or system, most of them have a range of products from which to select.

Prices of word processing machines range from just under £3,000 to over £20,000 depending on the degree of sophistication required. At the bottom end of the market is a stand-alone machine not much bigger than a normal electric typewriter (including the console) which has a limited memory to store relevant data. This kind of machine is best suited for simple types of typing requirements in small offices. The more sophisticated systems store a very large amount of data on small computers and can have dozens of terminals or typing stations feeding the computer.

One of the unfortunate aspects about the word processing market, not only in the U.K. but in all countries is the technical vernacular which the manufacturers use. This has become well understood in the U.S. where the market is well developed. But it can be confusing in the U.K. especially since not all the companies use

the vernacular in the same way. In recent years, however, there has been some attempt at standardising the terms used and most companies now subscribe to the terminology defined in the glossary of word processing terms published by the Business Equipment Trade Association.

### Pleased

It is definitely worth shopping around the market to find the best system for your particular needs, and at the right cost. Most of the companies are only too pleased to give a demonstration of how their equipment works and what it can do, either on your own premises or in their offices. Indeed, some of the companies have taken their equipment around the country. Others have prepared special videotapes of applications to indicate the benefits of their hardware. But it is quite useful to have a general idea about what is available in the market first. A first step is to understand what the various options are.

The first choice is what kind of storage medium is required. This varies between paper tape, edge-punched cards, magnetic tape or card, and minicomputer.

As a rule, paper tape and cards are used for automatic paperwork processors like purchase orders or stock control where information is printed on continuous stationery. One advantage of tape is that it can be fed into computers. But its speed for searching information is limited (even when using an expensive high speed reader). Storage of course is high and material cost low.

The advantage of using edge-punched cards is that they are unlikely to tear as easily as tape and are certainly easier to file. But the storage is limited so they cannot be used as effectively for high volume work.

Magnetic media are generally more efficient. Ship speeds range up to 3,000 characters per second so that updating or revising drafts is done in seconds. Magnetic cards cost 30p-100p each and have capacities of up to 12,800 characters equivalent to a couple of A4 sheets of text. These are best

used for medium volume work that does not require a great deal of revision.

For frequent updating or difficult layouts, computer input or typesetting, the best medium is probably magnetic tape. This is more expensive by about 5-10 times than cards but the information storage capacity is considerably bigger ranging between 100,000 characters and 350,000. Tape can also be re-used easily, takes up less storage space and is easy to handle.

For the most repetitive heavy volume letter work, it is probably more productive to use the dual medium machines or alternatively the single station machines that also have a memory (which are normally rather cheaper).

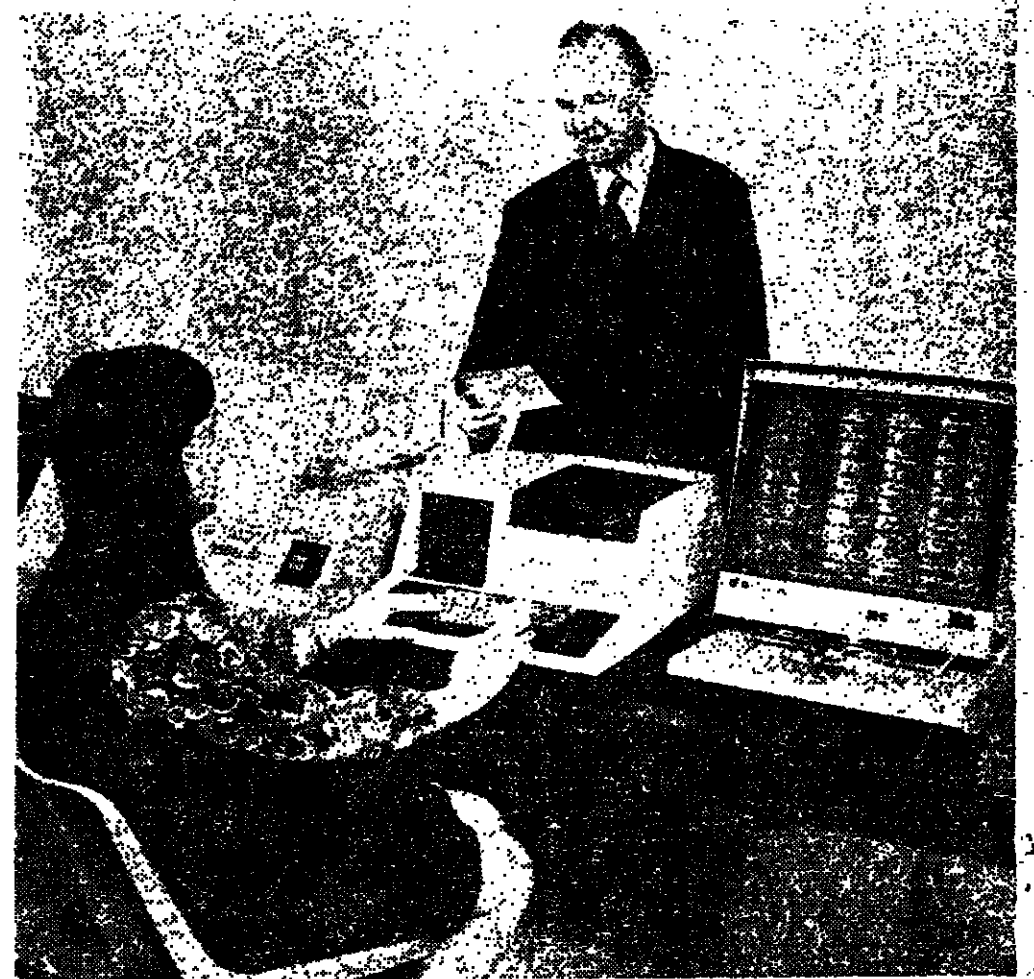
The dual station machine holds two rather than one tape cassette or magnetic card. One obvious application is to use one tape or card to hold the text of a letter while the other holds the addresses of the people it should be sent out to.

Another feature that can be important in determining your own word processing system is the buffer memory which is part of some machines. This holds information in the typewriter before it is transferred to the storage medium like the card or cassette.

Another factor to examine is the typing speeds of the machines. Most of the newer machines will be using the single element typewriter (like the IBM golfball) which provides flexibility because the type-faces can be changed simply by changing the golfball. In addition, some of the new machines will have the Daisy wheel which was originated by Xerox Corporation and is one of the most impressive features in its word processing equipment. Here, the typeface can be changed. Alternatives are normally line printers which are much faster but do not provide the degree of quality which most organisations require for their correspondence.

Finally, there is the decision about whether a visual display unit should be used. This makes editing texts faster but adds quite a lot on to the final cost.

R. L.



Singer 1500 system dealing with medical records at the Royal Free Hospital, Hampstead.

## Centralised dictation

IN THE worst year since 1960 for manufacturers of dictating equipment, sales of centralised systems in 1975 reached a record. Some 400 systems were sold worth £1m, against 264 systems the previous year, worth £825,000. In part, this contradiction was due to the fact that the more expensive systems have a longer selling cycle than the desk top or portable dictating machines, where unit sales fell by between a quarter and a third.

But it also reflects the productivity benefits that centralised systems can bring. And those benefits were particularly sought after during the current economic recession. It has been variously estimated that the cost of producing a letter is between £3 and £5 depending on where the office is and how high secretarial salaries and other overheads are in that area. Producing letters and other texts is a labour intensive exercise and therefore the costs are high. Yet, the process of dictating has hardly changed through the years even though the process of producing letters has changed from the pointed stone to the quill pen to the typewriter. 4,000 years ago Hammurabi called for scribes to record dictation on stone!

Significant savings can be made using dictation equipment, provided that the systems are introduced in the proper way, are efficiently organised and that staff is properly trained. The machines themselves cannot contribute to improved productivity unless the staff is happy using them and is properly organised.

It is generally reckoned that the average typist produces something like 350 words a day, even though her concentrated speeds suggest she should produce very much more. The reason for the apparent lack of productivity is that many shorthand typists spend a lot of time when they are not typing walk-

ing from one office to another, on the telephone for recording, or waiting to take dictation.

Yet it is common to find that an average output per day jumps to something over 600 words when centralised dictation systems are used. Furthermore, the turnaround time (that is, the time it takes to produce a letter ready for signature once it has been dictated) often improves from around five hours to nearer two hours.

With direct-link systems, the dictator's telephone is connected directly to the typist's own transcription unit, not to a separate bank of machine.

When the dictator starts speaking, he is therefore recorded on the same machine fit which the typists are transcribing. A selector unit can be added to allow dictators to choose for themselves on which machine they want to dictate. This is particularly useful in situations where typists specialise. Similarly, typists can select which unit to transcribe from.

Centralised dictation systems vary in some of the techniques used, but they all embrace the word processing centre, either through a private network or through the PABX. The dictator uses the controls

CONTINUED ON NEXT PAGE

## REVOLUTION or EVOLUTION?

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Explains the manufacturers' jargon  
Identifies the benefits—and the costs  
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# Competition from new entrants

After the fireworks in 1972 equipment with these new products, could in the longer term actually save money through a much higher level of efficiency. After all clerical and secretarial staff are now demanding far higher salaries and companies could find themselves in a position when only minor cost savings are worth a second look.

Having said this there is a general lack of understanding among British businessmen of word processing equipment and indeed it is staggering just how many are unaware of the existence of such products. A recent article in the Word Processing World showed that a survey conducted by a firm of consultants indicated a very irregular awareness of word processing; in the U.K. only some 12 per cent. of businessmen were aware of WP while the figure in Western Germany was as high as 97 per cent.

## Educate

The priority of the U.K. manufacturers then is to educate industry on the virtues of word processing. Fortunately this now seems to be the marketing theme adopted by the U.K. word processing industry. This educational campaign is aimed both at the purchaser of the equipment as well as the operators who must still feel that there is a decent job for them to carry out.

IBM, by far the leader in the field, with over 50 per cent. of the market, tries to get its message across in advertisements in the national and regional press while more emphasis has of late been placed on exhibitions.

Once the initial contact has been made with the potential customer IBM would pay special attention to the education factor. The company now adopts a total systems approach whereby

the needs of that particular customer are analysed and advice is given on what would be the best system to fit these needs. The problem here of course is that the customer is still dependent on the manufacturer. As such the needs of the purchaser may not be satisfied to the full. Ideally independent consultants should be available but the word processing market is still in its infancy in the U.K. and margins are hardly wide enough to support the existence of a consultancy set-up.

In 1974 Kalle Infotec tried using television advertising in the Birmingham area in an effort to tackle this educational problem. The move was hardly a great success and the exercise did prove to be a rather expensive way of selling word processing equipment. The company now concentrates its advertising campaign in the newspapers along with the numerous trade magazines. Like IBM the company is becoming increasingly aware of the needs to educate the potential market not only of the merits of Kalle Infotec products but of word processing in general. Great importance is now being placed on the training of the sales force in an effort to raise the level of expertise in word processing.

At the same time Kalle Infotec is clearly taking a reasonably optimistic line on future demand trends. Not only has the sales force been increased but new products are being introduced to the market.

Ultronic Data Systems is another manufacturer to gear up its operations in much the same way as Kalle. Apart from the increase in its sales force the company has introduced the low cost Scribona 90, which is a fully equipped revision typewriter with dynamic memory and off line magnetic tape

storage and, it is claimed, priced at some 40 per cent. below the nearest dynamic memory competitor. Furthermore the company is now launching the 150.

Whether this long term optimism is justified remains to be seen but the giant Rank Xerox feels the time is right to move into the field. Although there are no indications of how successful RX has been in its early months in the word processing field the company is evidently satisfied.

## Recruiting

On the face of it Rank Xerox's decision to move into word processing at a time when demand is far from buoyant would hardly seem to be in the best interests of those more established, particularly as they are obviously intent on launching new products. At the same time this could create problems on recruiting suitable salesmen since the industry is hardly overburdened in this area anyway.

The industry, however, is far from deterred and indeed there are some who feel that the entry of RX is just the shot in the arm word processing needs. It is felt that the resources that Xerox can put behind its thrust into the sector could serve to expand the market.

Certainly Xerox is better equipped than most to get across the right sort of image for word processing both from its advertising potential and its customer contact in the copying field. In the meantime the word processing manufacturers have clearly got to strive to bridge this gap with industry and in this respect it must be hoped that the BETA word processing exhibition at the Cunard Hotel next week has some impact.

David Wright



Above: A UCSL Unicomp video typing installed and in operation. Below left: The IBM Memory Card II typewriter.



## Dictation

CONTINUED FROM PREVIOUS PAGE

organisation can provide in the how to dictate correctly. But area. Before a system is chosen very often it is top management it is necessary to make a ment who are keenest to learn thorough examination of the and they frequently welcome work flow in the office and so the opportunity because it determine how many machines saves their time, too.

will be required, what effect it. It is also important to select could have on the number of the right supervisor for the staff and how employees should typing pool. Not only should be trained to use the new she be completely familiar with systems. Top management how the system works but she should participate in all of these exercises at least to the typists. A pool depends on the extent of discussing the findings on-operation of every member, otherwise it has no chance of providing the benefits it was created for, and the easiest way the dictating machines need to bring about chaos is to training, too. The overall appoint an unpopular leader.

Managements who will use efficiency of the system depends as much on how the executives dictate into the machines as how the typists transcribe the texts. Training of dictators should not necessarily stop at any preconceived management level. Some project managers begin to panic at the thought that the managing director and the chairman should be taught

R. L.

## The impact on staff

THERE is one major difference between the influence of the computer which began in the 1950s and the impact of word processing, which is strictly a 1970s phenomenon—the priorities given to the people who work the machines.

When the computer was first marketed, it was feared that the automation of office procedures could dehumanise the office. The more extreme scenarios depicting people-less offices have fortunately not materialised, but it is true to say that consideration of the human factor is only a recent development in the computer world—the market developed irrespective of the arm done to the work patterns of offices.

It is that bruising experience which should ensure that word processing is not sold in the same way that the computer was initially marketed and that it will not have such a bad effect on offices. Many of the word processing equipment manufacturers have already adapted their marketing techniques to take account of this sentiment and some of them have found that trying to sell equipment is not as productive as selling a way of doing a particular job, to the satisfaction of those presently involved in the task. This new attitude is just what is needed because many people in the U.S. have predicted that timely word processing will have a bigger impact on the leisure—their main compensation factor. Dr. Renzo Zorzi, though it is centred around design and publicity at Olivetti, sees the threat of work becoming less pleasurable, an act merely necessary to survive. He points out that office workers may face the same alienation that manual workers suffered when industrial work was automated, because they may not see the end result of their efforts.

## Worried

Dramatic scenarios of the electronic office, with machines replacing people and upsetting traditional working relationships have created some trepidation among management in the U.K. At the same time, the trades unions, which have been recruiting at a rapid rate in the white collar sector, are worried about redundancies caused by using new technologies. In response to these feelings, the companies have changed their marketing ideas.

IBM, for example, began by omitting the word processing where typists are handed together and spend their whole day doing repetitive work to examine productivity benefits. Today, however, the company emphasises the "administrative

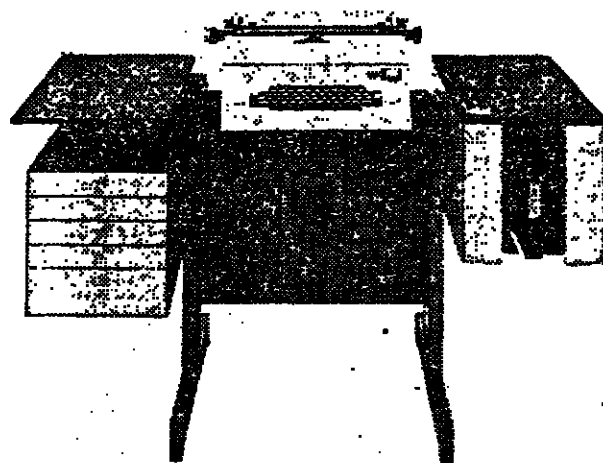
support centre" made up of between four to seven people and each doing a variety of jobs from typing to making appointments and servicing a number of bosses. IBM has accepted that providing the right technology is only a part of the total picture—it needs to examine office routine before and after installing equipment and how its clients manage the work flow. In many cases buying new equipment like word processing could mean a change in recruitment and personnel policies because of the different skills required.

This attitude is most advanced at Olivetti Europe's biggest manufacturer of office equipment. Its view is that it is selling solutions, not hardware. Dr. Marisa Bellisario, in charge of product planning, is convinced that eliminating mundane tasks (which word processing can achieve) releases the operator for more intelligent work. "There is a new generation of office workers with different aspirations, especially women. In 20 years' time women may not want to be secretaries at all," she warns.

If new machines are becoming easier to operate and require fewer technical skills, more and more bosses may find themselves doing their own secretarial work. Furthermore, because the machines will be faster, lower echelons of staff should have more time for leisure—their main compensation factor. Dr. Renzo Zorzi, design and publicity at Olivetti, sees the threat of work becoming less pleasurable, an act merely necessary to survive. He points out that office workers may face the same alienation that manual workers suffered when industrial work was automated, because they may not see the end result of their efforts.

R. L.

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# FOREIGN EXCHANGE

## Pound weaker

## GOLD MARKET

DEUTSCHE MARK	
Gold Coins (domestic)	1295.00-1313.00
Gold Bars	1271.75-1272.00
New 500 Mks	1041.00-1042.00
Old 500 Mks	1038.00-1040.00
Gold Coins (foreign)	1295.00-1313.00
Kugelpenn	1121.00-1123.00
New 500 Mks	1041.00-1042.00
Old 500 Mks	1038.00-1040.00
250 Marks	1215.00-1216.00

Special Drawing Right (SDR) rate in U.S. dollars

Source: International Monetary Fund, Washington, D.C.

One SDD is equal to \$1.00

U.S. dollar

Belgian franc

Deutsche mark

French franc

Italian lire

Japanese yen

Mark

Swiss franc

U.S. dollar

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U.S. dollar

U.S. dollar

## FOREIGN EXCHANGES

	May 5 1976	Bank Rate %	Market %	Day's Spread
New York	91.1840-1.0000-1.0000			
London	91.1840-1.0000-1.0000			
Amsterdam	4.90-0.05			
Brussels	7.70-1.00			
Copenhagen	11.00-1.10			
Frankfurt	4.92-0.05			
Geneva	7.70-1.00			
Madrid	12.10-1.30-1.20			
Paris	10.10-1.00-1.00			
Stockholm	7.70-1.00			
Switzerland	7.70-1.00			
U.S. dollar	7.70-1.00			

Source: International Monetary Fund, Washington, D.C.

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Japan	1,052.16	1,049.73	
Indonesia		243.85	
Italy	3,039.56	3,039.97	
Sweden	5,023.90	5,033.96	
Switzerland	3,865.58	3,870.73	

Values are for currencies against the USD as collected by the International Monetary Fund in Washington.

Argentina	254.35-258.04	%Notes 10	
Brazil	18.18-19.56	Belgium	
Finland	7.68-7.94	France	
Germany	1.76-1.77	Italy	
		Japan	
		Sweden	
		Switzerland	

† Source: discount. ‡ Given rates convertible francs. C/Gross francs

OTHER MARKETS

**NEW YORK—DOW JONES**[illegible]

			12/8	13/1	Sweden	49	476.26	472.06	476.26	383.56
Belgium	16	102.92	103.34	116.18	102.92				13/5	193.1
				10/2	5/3	Switzerland	284.8	281.5	284.8	281.5

1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060	2061	2062	2063	2064	2065	2066	2067	2068	2069	2070	2071	2072	2073	2074	2075	2076	2077	2078	2079	2080	2081	2082	2083	2084	2085	2086	2087	2088	2089	2090	2091	2092	2093	2094	2095	2096	2097	2098	2099	2100	2101	2102	2103	2104	2105	2106	2107	2108	2109	2110	2111	2112	2113	2114	2115	2116	2117	2118	2119	2120	2121	2122	2123	2124	2125	2126	2127	2128	2129	2130	2131	2132	2133	2134	2135	2136	2137	2138	2139	2140	2141	2142	2143	2144	2145	2146	2147	2148	2149	2150	2151	2152	2153	2154	2155	2156	2157	2158	2159	2160	2161	2162	2163	2164	2165	2166	2167	2168	2169	2170	2171	2172	2173	2174	2175	2176	2177	2178	2179	2180	2181	2182	2183	2184	2185	2186	2187	2188	2189	2190	2191	2192	2193	2194	2195	2196	2197	2198	2199	2200	2201	2202	2203	2204	2205	2206	2207	2208	2209	2210	2211	2212	2213	2214	2215	2216	2217	2218	2219	2220	2221	2222	2223	2224	2225	2226	2227	2228	2229	2230	2231	2232	2233	2234	2235	2236	2237	2238	2239	2240	2241	2242	2243	2244	2245	2246	2247	2248	2249	2250	2251	2252	2253	2254	2255	2256	2257	2258	2259	2260	2261	2262	2263	2264	2265	2266	2267	2268	2269	2270	2271	2272	2273	2274	2275	2276	2277	2278	2279	2280	2281	2282	2283	2284	2285	2286	2287	2288	2289	2290	2291	2292	2293	2294	2295	2296	2297	2298	2299	2300	2301	2302	2303	2304	2305	2306	2307	2308	2309	2310	2311	2312	2313	2314	2315	2316	2317	2318	2319	2320	2321	2322	2323	2324	2325	2326	2327	2328	2329	2330	2331	2332	2333	2334	2335	2336	2337	2338	2339	2340	2341	2342	2343	2344	2345	2346	2347	2348	2349	2350	2351	2352	2353	2354	2355	2356	2357	2358	2359	2360	2361	2362	2363	2364	2365	2366	2367	2368	2369	2370	2371	2372	2373	2374	2375	2376	2377	2378	2379	2380	2381	2382	2383	2384	2385	2386	2387	2388	2389	2390	2391	2392	2393	2394	2395	2396	2397	2398	2399	2400	2401	2402	2403	2404	2405	2406	2407	2408	2409	2410	2411	2412	2413	2414	2415	2416	2417	2418	2419	2420	2421	2422	2423	2424	2425	2426	2427	2428	2429	2430	2431	2432	2433	2434	2435	2436	2437	2438	2439	2440	2441	2442	2443	2444	2445	2446	2447	2448	2449	2450	2451	2452	2453	2454	2455	2456	2457	2458	2459	2460	2461	2462	2463	2464	2465	2466	2467	2468	2469	2470	2471	2472	2473	2474	2475	2476	2477	2478	2479	2480	2481	2482	2483	2484	2485	2486	2487	2488	2489	2490	2491	2492	2493	2494	2495	2496	2497	2498	2499	2500	2501	2502	2503	2504	2505	2506	2507	2508	2509	2510	2511	2512	2513	2514	2515	2516	2517	2518	2519	2520	2521	2522	2523	2524	2525	2526	2527	2528	2529	2530	2531	2532	2533	2534	2535	2536	2537	2538	2539	2540	2541	2542	2543	2544	2545	2546	2547	2548	2549	2550	2551	2552	2553	2554	2555	2556	2557	2558	2559	2560	2561	2562	2563	2564	2565	2566	2567	2568	2569	2570	2571	2572	2573	2574	2575	2576	2577	2578	2579	2580	2581	2582	2583	2584	2585	2586	2587	2588	2589	2590	2591	2592	2593	2594	2595	2596	2597	2598	2599	2600	2601	2602	2603	2604	2605	2606	2607	2608	2609	2610	2611	2612	2613	2614	2615	2616	2617	2618	2619	2620	2621	2622	2623	2624	2625	2626	2627	2628	2629	2630	2631	2632	2633	2634	2635	2636	2637	2638	2639	2640	2641	2642	2643	2644	2645	2646	2647	2648	2649	2650	2651	2652	2653	2654	2655	2656	2657	2658	2659	2660	2661	2662	2663	2664	2665	2666	2667	2668	2669	2670	2671	2672	2673	2674	2675	2676	2677	2678	2679	2680	2681	2682	2683	2684	2685	2686	2687	2688	2689	2690	2691	2692	2693	2694	2695	2696	2697	2698	2699	2700	2701	2702	2703	2704	2705	2706	2707	2708	2709	2710	2711	2712	2713	2714	2715	2716	2717	2718	2719	2720	2721	2722	2723	2724	2725	2726	2727	2728	2729	2730	2731	2732	2733	2734	2735	2736	2737	2738	2739	2740	2741	2742	2743	2744	2745	2746	2747	2748	2749	2750	2751	2752	2753	2754	2755	2756	2757	2758	2759	2760	2761	2762	2763	2764	2765	2766	2767	2768	2769	2770	2771	2772	2773	2774	2775	2776	2777	2778	2779	2780	2781	2782	2783	2784	2785	2786	2787	2788	2789	2790	2791	2792	2793	2794	2795	2796	2797	2798	2799	2800	2801	2802	2803	2804	2805	2806	2807	2808	2809	2810	2811	2812	2813	2814	2815	2816	2817	2818	2819	2820	2821	2822	2823	2824	2825	2826	2827	2828	2829	2830	2831	2832	2833	2834	2835	2836	2837	2838	2839	2840	2841	2842	2843	2844	2845	2846	2847	2848	2849	2850	2851	2852	2853	2854	2855	2856	2857	2858	2859	2860	2861	2862	2863	2864	2865	2866	2867	2868	2869	2870	2871	2872	2873	2874	2875	2876	2877	2878	2879	2880	2881	2882	2883	2884	2885	2886	2887	2888	2889	2890	2891	2892	2893	2894	2895	2896	2897	2898	2899	2900	2901	2902	2903	2904	2905	2906	2907	2908	2909	2910	2911	2912	2913	2914	2915	2916	2917	2918	2919	2920	2921	2922	2923	2924	2925	2926	2927	2928	2929	2930	2931	2932	2933	2934	2935	2936	2937	2938	2939	2940	2941	2942	2943	2944	2945	2946	2947	2948	2949	2950	2951	2952	2953	2954	2955	2956	2957	2958	2959	2960	2961	2962	2963	2964	2965	2966	2967	2968	2969	2970	2971	2972	2973	2974	2975	2976	2977	2978	2979	2980	2981	2982	2983	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NEW YORK	Stock	May 5	May 4	Steel
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**INFORMATION** Investment premium based on \$2.60 per £—124½% (125%)

HAZF	161.5	+0.1	14	4.5	blastogi	805	70	7.8
Hayr	142	+1.5	17	6.7	Breda	1,660 + 10	165	9.0
Hayr Hypo	884	+1.5	80	5.6	Burpo	9,200 + 140	400	2.2
Hayr Veretinsk	890	+24	20	3.2	Castani	5,475 + 275	200	3.6
Commerciat	200	+0.5	18	4.5	CIGA	8,690 + 80		

Amoco Asphalts	0.80	-0.02	Harmony	3.90
Amoco Petroleum	0.57		Klorox	5.00
Asac. Minerals	13.15		Klor	1.70
Asac. Pulp Paper \$1	0.90		Potter's Patent Platinum	2.67
Aust. Con. Industries	11.53	+0.01	Southall	1.75
Asac. Foundation Trust	0.88	-0.02	Gold Fields SA	24.00

**Blackill & Coleman**  
**Ed. U. Siegh**

W. G. Sleigh	+0.48	.....	SAPPL	1.96
W. G. Sleigh	+0.48	.....	Sarec	0.55
W. G. Sleigh	+0.48	.....	Sarec	0.55

Auto Marine.....	545
Coys. Elect. Pwr.....	698
Coastal.....	136

Auto Marine...	545	+7	11	1.0	Pepsi (1,000)	119.75
Long. Elect. Pwr.	698	+1	10	1.2	Pepsi (1,000)	131
Costco	136		11	3.7	Financial SA	125

STOCKHOLM

May 5	Price known	+ or -	Div. %	Notes
Age A (Rr. Sp.)	1768	+1	9.5	5.2
Age B (Rr. Sp.)	1578	+1	9.5	5.2
Age C (Rr. Sp.)	1478	+1	9.5	5.2
Age D (Rr. Sp.)	1378	+1	9.5	5.2
Age E (Rr. Sp.)	1278	+1	9.5	5.2
Age F (Rr. Sp.)	1178	+1	9.5	5.2
Age G (Rr. Sp.)	1078	+1	9.5	5.2
Age H (Rr. Sp.)	978	+1	9.5	5.2
Age I (Rr. Sp.)	878	+1	9.5	5.2
Age J (Rr. Sp.)	778	+1	9.5	5.2
Age K (Rr. Sp.)	678	+1	9.5	5.2
Age L (Rr. Sp.)	578	+1	9.5	5.2
Age M (Rr. Sp.)	478	+1	9.5	5.2
Age N (Rr. Sp.)	378	+1	9.5	5.2
Age O (Rr. Sp.)	278	+1	9.5	5.2
Age P (Rr. Sp.)	178	+1	9.5	5.2
Age Q (Rr. Sp.)	78	+1	9.5	5.2
Age R (Rr. Sp.)	-22	+1	9.5	5.2
Age S (Rr. Sp.)	-122	+1	9.5	5.2
Age T (Rr. Sp.)	-222	+1	9.5	5.2
Age U (Rr. Sp.)	-322	+1	9.5	5.2
Age V (Rr. Sp.)	-422	+1	9.5	5.2
Age W (Rr. Sp.)	-522	+1	9.5	5.2
Age X (Rr. Sp.)	-622	+1	9.5	5.2
Age Y (Rr. Sp.)	-722	+1	9.5	5.2
Age Z (Rr. Sp.)	-822	+1	9.5	5.2
Age AA (Rr. Sp.)	-922	+1	9.5	5.2
Age AB (Rr. Sp.)	-1022	+1	9.5	5.2
Age AC (Rr. Sp.)	-1122	+1	9.5	5.2
Age AD (Rr. Sp.)	-1222	+1	9.5	5.2
Age AE (Rr. Sp.)	-1322	+1	9.5	5.2
Age AF (Rr. Sp.)	-1422	+1	9.5	5.2
Age AG (Rr. Sp.)	-1522	+1	9.5	5.2
Age AH (Rr. Sp.)	-1622	+1	9.5	5.2
Age AI (Rr. Sp.)	-1722	+1	9.5	5.2
Age AJ (Rr. Sp.)	-1822	+1	9.5	5.2
Age AK (Rr. Sp.)	-1922	+1	9.5	5.2
Age AL (Rr. Sp.)	-2022	+1	9.5	5.2
Age AM (Rr. Sp.)	-2122	+1	9.5	5.2
Age AN (Rr. Sp.)	-2222	+1	9.5	5.2
Age AO (Rr. Sp.)	-2322	+1	9.5	5.2
Age AP (Rr. Sp.)	-2422	+1	9.5	5.2
Age AQ (Rr. Sp.)	-2522	+1	9.5	5.2
Age AR (Rr. Sp.)	-2622	+1	9.5	5.2
Age AS (Rr. Sp.)	-2722	+1	9.5	5.2
Age AT (Rr. Sp.)	-2822	+1	9.5	5.2
Age AU (Rr. Sp.)	-2922	+1	9.5	5.2
Age AV (Rr. Sp.)	-3022	+1	9.5	5.2
Age AW (Rr. Sp.)	-3122	+1	9.5	5.2
Age AX (Rr. Sp.)	-3222	+1	9.5	5.2
Age AY (Rr. Sp.)	-3322	+1	9.5	5.2
Age AZ (Rr. Sp.)	-3422	+1	9.5	5.2
Age BA (Rr. Sp.)	-3522	+1	9.5	5.2
Age BB (Rr. Sp.)	-3622	+1	9.5	5.2
Age BC (Rr. Sp.)	-3722	+1	9.5	5.2
Age BD (Rr. Sp.)	-3822	+1	9.5	5.2
Age BE (Rr. Sp.)	-3922	+1	9.5	5.2
Age BF (Rr. Sp.)	-4022	+1	9.5	5.2
Age BG (Rr. Sp.)	-4122	+1	9.5	5.2
Age BH (Rr. Sp.)	-4222	+1	9.5	5.2
Age BI (Rr. Sp.)	-4322	+1	9.5	5.2
Age BJ (Rr. Sp.)	-4422	+1	9.5	5.2
Age BK (Rr. Sp.)	-4522	+1	9.5	5.2
Age BL (Rr. Sp.)	-4622	+1	9.5	5.2
Age BM (Rr. Sp.)	-4722	+1	9.5	5.2
Age BN (Rr. Sp.)	-4822	+1	9.5	5.2
Age BO (Rr. Sp.)	-4922	+1	9.5	5.2
Age BP (Rr. Sp.)	-5022	+1	9.5	5.2
Age BQ (Rr. Sp.)	-5122	+1	9.5	5.2
Age BR (Rr. Sp.)	-5222	+1	9.5	5.2
Age BS (Rr. Sp.)	-5322	+1	9.5	5.2
Age BT (Rr. Sp.)	-5422	+1	9.5	5.2
Age BU (Rr. Sp.)	-5522	+1	9.5	5.2
Age BV (Rr. Sp.)	-5622	+1	9.5	5.2
Age BW (Rr. Sp.)	-5722	+1	9.5	5.2
Age BX (Rr. Sp.)	-5822	+1	9.5	5.2
Age BY (Rr. Sp.)	-5922	+1	9.5	5.2
Age BZ (Rr. Sp.)	-6022	+1	9.5	5.2
Age CA (Rr. Sp.)	-6122	+1	9.5	5.2
Age CB (Rr. Sp.)	-6222	+1	9.5	5.2
Age CC (Rr. Sp.)	-6322	+1	9.5	5.2
Age CD (Rr. Sp.)	-6422	+1	9.5	5.2
Age CE (Rr. Sp.)	-6522	+1	9.5	5.2
Age CF (Rr. Sp.)	-6622	+1	9.5	5.2
Age CG (Rr. Sp.)	-6722	+1	9.5	5.2
Age CH (Rr. Sp.)	-6822	+1	9.5	5.2
Age CI (Rr. Sp.)	-6922	+1	9.5	5.2
Age CJ (Rr. Sp.)	-7022	+1	9.5	5.2
Age CK (Rr. Sp.)	-7122	+1	9.5	5.2
Age CL (Rr. Sp.)	-7222	+1	9.5	5.2
Age CM (Rr. Sp.)	-7322	+1	9.5	5.2
Age CN (Rr. Sp.)	-7422	+1	9.5	5.2
Age CO (Rr. Sp.)	-7522	+1	9.5	5.2
Age CP (Rr. Sp.)	-7622	+1	9.5	5.2
Age CQ (Rr. Sp.)	-7722	+1	9.5	5.2
Age CR (Rr. Sp.)	-7822	+1	9.5	5.2
Age CS (Rr. Sp.)	-7922	+1	9.5	5.2
Age CT (Rr. Sp.)	-8022	+1	9.5	5.2
Age CU (Rr. Sp.)	-8122	+1	9.5	5.2
Age CV (Rr. Sp.)	-8222	+1	9.5	5.2
Age CW (Rr. Sp.)	-8322	+1	9.5	5.2
Age CX (Rr. Sp.)	-8422	+1	9.5	5.2
Age CY (Rr. Sp.)	-8522	+1	9.5	5.2
Age CZ (Rr. Sp.)	-8622	+1	9.5	5.2
Age DA (Rr. Sp.)	-8722	+1	9.5	5.2
Age DB (Rr. Sp.)	-8822	+1	9.5	5.2
Age DC (Rr. Sp.)	-8922	+1	9.5	5.2
Age DD (Rr. Sp.)	-9022	+1	9.5	5.2
Age DE (Rr. Sp.)	-9122	+1	9.5	5.2
Age DF (Rr. Sp.)	-9222	+1	9.5	5.2
Age DG (Rr. Sp.)	-9322	+1	9.5	5.2
Age DH (Rr. Sp.)	-9422	+1	9.5	5.2
Age DI (Rr. Sp.)	-9522	+1	9.5	5.2
Age DJ (Rr. Sp.)	-9622	+1	9.5	5.2
Age DK (Rr. Sp.)	-9722	+1	9.5	5.2
Age DL (Rr. Sp.)	-9822	+1	9.5	5.2
Age DM (Rr. Sp.)	-9922	+1	9.5	5.2
Age DN (Rr. Sp.)	-10022	+1	9.5	5.2
Age DO (Rr. Sp.)	-10122	+1	9.5	5.2
Age DP (Rr. Sp.)	-10222	+1	9.5	5.2
Age DQ (Rr. Sp.)	-10322	+1	9.5	5.2
Age DR (Rr. Sp.)	-10422	+1	9.5	5.2
Age DS (Rr. Sp.)	-10522	+1	9.5	5.2
Age DT (Rr. Sp.)	-10622	+1	9.5	5.2
Age DU (Rr. Sp.)	-10722	+1	9.5	5.2
Age DV (Rr. Sp.)	-10822	+1	9.5	5.2
Age DW (Rr. Sp.)	-10922	+1	9.5	5.2
Age DX (Rr. Sp.)	-11022	+1	9.5	5.2
Age DY (Rr. Sp.)	-11122	+1	9.5	5.2
Age DZ (Rr. Sp.)	-11222	+1	9.5	5.2
Age EA (Rr. Sp.)	-11322	+1	9.5	5.2
Age EB (Rr. Sp.)	-11422	+1	9.5	5.2
Age EC (Rr. Sp.)	-11522	+1	9.5	5.2
Age ED (Rr. Sp.)	-11622	+1	9.5	5.2
Age EE (Rr. Sp.)	-11722	+1	9.5	5.2
Age EF (Rr. Sp.)	-11822	+1	9.5	5.2
Age EG (Rr. Sp.)	-11922	+1	9.5	5.2
Age EH (Rr. Sp.)	-12022	+1	9.5	5.2
Age EI (Rr. Sp.)	-12122	+1	9.5	5.2
Age EJ (Rr. Sp.)	-12222	+1	9.5	5.2
Age EK (Rr. Sp.)	-12322	+1	9.5	5.2
Age EL (Rr. Sp.)	-12422	+1	9.5	5.2
Age EM (Rr. Sp.)	-12522	+1	9.5	5.2
Age EN (Rr. Sp.)	-12622	+1	9.5	5.2
Age EO (Rr. Sp.)	-12722	+1	9.5	5.2
Age EP (Rr. Sp.)	-12822	+1	9.5	5.2
Age EQ (Rr. Sp.)	-12922	+1	9.5	5.2
Age ER (Rr. Sp.)	-13022	+1	9.5	5.2
Age ES (Rr. Sp.)	-13122	+1	9.5	5.2
Age ET (Rr. Sp.)	-13222	+1	9.5	5.2
Age EU (Rr. Sp.)	-13322	+1	9.5	5.2
Age EV (Rr. Sp.)	-13422	+1	9.5	5.2
Age EW (Rr. Sp.)	-13522	+1	9.5	5.2
Age EX (Rr. Sp.)	-13622	+1	9.5	5.2
Age EY (Rr. Sp.)	-13722	+1	9.5	5.2
Age EZ (Rr. Sp.)	-13822	+1	9.5	5.2
Age FA (Rr. Sp.)	-13922	+1	9.5	5.2
Age FB (Rr. Sp.)	-14022	+1	9.5	5.2
Age FC (Rr. Sp.)	-14122	+1	9.5	5.2
Age FD (Rr. Sp.)	-14222	+1	9.5	5.2
Age FE (Rr. Sp.)	-14322	+1	9.5	5.2
Age FF (Rr. Sp.)	-14422	+1	9.5	5.2
Age FG (Rr. Sp.)	-14522	+1	9.5	5.2
Age FH (Rr. Sp.)	-14622	+1	9.5	5.2
Age FI (Rr. Sp.)	-14722	+1	9.5	5.2
Age FJ (Rr. Sp.)	-14822	+1	9.5	5.2
Age FK (Rr. Sp.)	-14922	+1	9.5	5.2
Age FL (Rr. Sp.)	-15022	+1	9.5	5.2
Age FO (Rr. Sp.)	-15122	+1	9.5	5.2
Age FP (Rr. Sp.)	-15222	+1	9.5	5.2
Age FQ (Rr. Sp.)	-15322	+1	9.5	5.2
Age FR (Rr. Sp.)	-15422	+1	9.5	5.2
Age FS (Rr. Sp.)	-15522	+1	9.5	5.2
Age FT (Rr. Sp.)	-15622	+1	9.5	5.2
Age FU (Rr. Sp.)	-15722	+1	9.5	5.2
Age FV (Rr. Sp.)	-15822	+1	9.5	5.2
Age FW (Rr. Sp.)	-15922	+1	9.5	5.2
Age FX (Rr. Sp.)	-16022	+1	9.5	5.2
Age FY (Rr. Sp.)	-16122	+1	9.5	5.2
Age FZ (Rr. Sp.)	-16222	+1	9.5	5.2
Age GA (Rr. Sp.)	-16322	+1	9.5	5.2
Age GB (Rr. Sp.)	-16422	+1	9.5	5.2
Age GC (Rr. Sp.)	-16522	+1	9.5	5.2
Age GD (Rr. Sp.)	-16622	+1	9.5	5.2
Age GE (Rr. Sp.)	-16722	+1	9.5	5.2
Age GF (Rr. Sp.)	-16822	+1	9.5	5.2
Age GG (Rr. Sp.)	-16922	+1	9.5	5.2
Age GH (Rr. Sp.)	-17022	+1	9.5	5.2
Age GI (Rr. Sp.)	-17122	+1	9.5	5.2
Age GJ (Rr. Sp.)	-17222	+1	9.5	5.2
Age GK (Rr. Sp.)	-17322	+1	9.5	5.2
Age GL (Rr. Sp.)	-17422	+1	9.5	5.2
Age GM (Rr. Sp.)	-17522	+1	9.5	5.2
Age GN (Rr. Sp.)	-17622	+1	9.5	5.2
Age GO (Rr. Sp.)	-17722	+1	9.5	5.2
Age GP (Rr. Sp.)	-17822	+1	9.5	5.2
Age GQ (Rr. Sp.)	-17922	+1	9.5	5.2
Age GR (Rr. Sp.)	-18022	+1	9.5	5.2
Age GS (Rr. Sp.)	-18122	+1	9.5	5.2
Age GT (Rr. Sp.)	-18222	+1	9.5	5.2
Age GU (Rr. Sp.)	-18322	+1	9.5	5.2
Age GV (Rr. Sp.)	-18422	+1	9.5	5.2
Age GW (Rr. Sp.)	-18522	+1	9.5	5.2
Age GX (Rr. Sp.)	-18622	+1	9.5	5.2
Age GY (Rr. Sp.)	-18722	+1	9.5	5.2
Age GZ (Rr. Sp.)	-18822	+1	9.5	5.2
Age HA (Rr. Sp.)	-18922	+1	9.5	5.2
Age HB (Rr. Sp.)	-19022	+1	9.5	5.2
Age HC (Rr. Sp.)	-19122	+1	9.5	5.2
Age HD (Rr. Sp.)	-19222	+1	9.5	5.2
Age HE (Rr. Sp.)	-19322	+1	9.5	5.2
Age HF (Rr. Sp.)	-19422	+1	9.5	5.2
Age HG (Rr. Sp.)	-19522	+1	9.5	5.2
Age HH (Rr. Sp.)	-19622	+1	9.5	5.2
Age HI (Rr. Sp.)	-19722	+1	9.5	5.2
Age HJ (Rr. Sp.)	-19822	+1	9.5	5.2
Age HK (Rr. Sp.)	-19922	+1	9.5	5.2
Age HL (Rr. Sp.)	-20022	+1	9.5	5.2
Age HO (Rr. Sp.)	-20122	+1	9.5	5.2
Age HP (Rr. Sp.)	-20222	+1	9.5	5.2
Age HQ (Rr. Sp.)	-20322	+1	9.5	5.2
Age HR (Rr. Sp.)	-20422	+1	9.5	5.2
Age HS (Rr. Sp.)	-20522	+1	9.5	5.2
Age HT (Rr. Sp.)	-20622	+1	9.5	5.2
Age HU (Rr. Sp.)	-20722	+1	9.5	5.2
Age HV (Rr. Sp.)	-20822	+1	9.5	5.2
Age HW (Rr. Sp.)	-20922	+1	9.5	5.2
Age HX (Rr. Sp.)	-21022	+1	9.5	5.2
Age HY (Rr. Sp.)	-21122	+1	9.5	5.2
Age HZ (Rr. Sp.)	-21222	+1	9.5	5.2
Age IA (Rr. Sp.)	-21322	+1	9.5	5.2
Age IB (Rr. Sp.)	-21422	+1	9.5	5.2
Age IC (Rr. Sp.)	-21522	+1	9.5	5.2
Age ID (Rr. Sp.)	-21622	+1	9.5	5.2
Age IE (Rr. Sp.)	-21722	+1	9.5	5.2
Age IF (Rr. Sp.)	-21822	+1	9.5	5.2
Age IG (Rr. Sp.)	-21922	+1	9.5	5.2
Age IH (Rr. Sp.)	-22022	+1	9.5	5.2
Age II (Rr. Sp.)	-22122	+1	9.5	5.2
Age IJ (Rr. Sp.)	-22222	+1	9.5	5.2
Age IK (Rr. Sp.)	-22322	+1	9.5	5.2
Age IL (Rr. Sp.)	-22422	+1	9.5	5.2
Age IM (Rr. Sp.)	-22522	+1	9.5	5.2
Age IN (Rr. Sp.)	-22622	+1	9.5	5.2
Age IO (Rr. Sp.)	-22722	+1	9.5	5.2
Age IP (Rr. Sp.)	-22822	+1	9.5	5.2
Age IQ (Rr. Sp.)	-22922	+1	9.5	5.2
Age IR (Rr. Sp.)	-23022	+1	9.5	5.2
Age IS (Rr. Sp.)	-23122	+1	9.5	5.2
Age IT (Rr. Sp.)	-23222	+1	9.5	5.2
Age IU (Rr. Sp.)	-23322	+1	9.5	5.2
Age IV (Rr. Sp.)	-23422	+1	9.5	5.2
Age IW (Rr. Sp.)	-23522	+1	9.5	5.2
Age IX (Rr. Sp.)	-23622	+1	9.5	5.2
Age IY (Rr. Sp.)				



FARMING AND RAW MATERIALS

Japan wool stock study planned

MELBOURNE, May 5. THE AUSTRALIAN Wool Corporation is considering the idea of establishing a stockpiling point in Japan, but has yet to seriously consider the proposition, an AWC spokesman said here. Commenting on Tokyo reports of a change in attitude by the Japanese wool industry and trade, the AWC spokesman said that the AWC stockpile, following a recent dispute, he said the corporation had not had time to discuss the issue since the dispute ended last month. Neither the AWC nor the Japanese industry had considered a stockpile idea necessary or desirable in the past, the spokesman added.

Soviet grain loss estimates near the mark

MOSCOW, May 5. EARLY WESTERN estimates at the Soviet Union have lost a quarter of its winter grain crop through drought and frost damage appear to have proved fairly accurate, according to Western agricultural experts. No official figures are available, but recent visits by the experts to important grain areas in the Ukraine and Northern Caucasus have led them to believe the forecasts of winter 1975 were probably near the mark. They have said for some months that last year's drought and a harsh winter were likely to mean losses above the average of 15 to 17 per cent of the crop. Soviet farmers aim to harvest 100m. tonnes this year, after 40m. only two-thirds of the planned total last year. By contrast with the winter crop, the condition of spring grain in the Ukraine and Northern Caucasus was "good to excellent," the experts said. Reuter

LME STUDYING CLEARING SYSTEM

The London Metal Exchange is examining closely the question of establishing a clearing system, chairman, Mr. P. G. Smith, told the House of Lords select committee on commodity prices yesterday. He said one opinion was that a change in LME clearing would increase price instability. A clearing house would not have been able to finance excess production; it was absolutely essential to have limits on fluctuations if a clearing system was to operate successfully, he added. Reuter

Bolivia sounds out China on tin cartel plan

LA PAZ, May 5. BOLIVIA HAS made contact with China about a possible cartel of tin producing countries, it was learned here. The cartel is being considered as a serious alternative, should the International Tin Council now meeting in London fail to agree on a new price scale for the renewed producer-consumer agreement, due to take effect in July. Bolivia and Indonesia, the second- and third-largest suppliers of tin, both signed the fifth International Tin Agreement on the April 30 deadline, but Bolivian officials said they would not participate unless prices were adjusted to allow for currency changes and sharply increased costs of equipment. In the event of a breakdown in negotiations, it is thought that Indonesia and China—the latter are a party to the agreement—would be prepared to join a mini-cartel with Bolivia. With a joint production of around 68,000 tons a year, they would control just over a third of the world market.

Surface mining

Bolivia claims that current prices do not cover its costs which are heavier than those in the surface mining operations of Malaysia or Indonesia. It also claims that it has been unfairly hit by devaluation of the Malaysian dollar, the base currency of the international agreement. It wants consumer countries, as well as producers, to be obliged to contribute to the buffer stock. Such a condition is unlikely to be accepted by the U.S. which has recently joined

'Keep out rabies' campaign

BY PETER SULLEN. THE GOVERNMENT launched a £50,000 campaign yesterday to enlist the support of people everywhere in Britain to stop rabies entering the country. Television and radio public service messages have been prepared and thousands of posters in seven languages are being distributed in ports and aerodromes. Dr. Gavin Strang, Parliamentary Secretary to the Ministry of Agriculture, said rabies was a terrible disease. A disease that killed. The Government was determined to keep it out of Britain. "We shall strive to the utmost to achieve this. Our contingency plan is to be ready to contain and eradicate any rabies outbreak should it nevertheless occur. We do have contingency plans. We stand ready," he said. The campaign has been timed for maximum effect at the start of the holiday season, when people travelling abroad are tempted to take their pets with them, or acquire one overseas and then risk smuggling them back into Britain to avoid the six months quarantine period which can cost around £200. With the disease spreading in

Convictions

Last year there were more than 40 convictions for illegal importations of animals even though offenders now face an unlimited fine or up to a year in prison for an indictable offence or fines up to £400 in a magistrates court case. Dr. Strang said he thought magistrates were not taking advantage of the higher penalties and he would like to see local authorities taking more cases to higher courts on indictment. But one result of the present publicity could well be the imposition of stiffer penalties. To bring home to people the

U.S. options trading backed

WASHINGTON, May 5. A SUB-COMMITTEE of the U.S. Commodity Futures Trading Commission has recommended approval of trading in commodity futures options subject to rigorous standards and conditions. The committee's report will be considered next week by the full commission, which is expected to make a number of alterations to the recommendations. However, the commission is thought to be broadly in favour of the suggestions. These are that options trading be approved in those commodities that the law allows to be traded in this way—U.S. law prohibits options trading in most American commodities and the options trading would therefore be restricted to foreign-produced commodities such as cocoa, sugar and coffee.

The committee recommends that a clearing house should be set up to deal with the processing of the options; that there should be a requirement that the seller of an option must have sufficient funds to meet the option contract; and that the terms of every sale would have to include a statement of the seller's net worth. Although there has been some criticism of options trading in commodities on the grounds that it has little economic usefulness, the committee says options trading would be a valuable addition to the market as a whole and would benefit the market in general.

EEC sets sugar sales limit

BRUSSELS, May 5. THE EEC COMMISSION has set a limit on sugar sales totalling 45,250 tonnes, with a maximum export rebate of 5.8 Units of Account per 100 kilos, at its weekly export tender. Commission sources said. Countries of origin were Holland 20,000 tonnes, Belgium 14,000, France 7,500, Germany 6,750 and U.K. 1,000. The Commission also set its fixed fortnightly export rebates at 3.50 U.A. per 100 kilos for sugar, (unchanged) and zero for raws, with effect from Thursday. Reuter

Slowly sinking into hopeless poverty

BY NANCY DUNNE IN WASHINGTON

WHILE NERO added, Rome burned. While juntas rise and fall, governments war and the "haves" of the developing nations strive to hold on to their wealth, the agricultural resources of Africa, Asia and Latin America are steadily shrinking and are now unable to support their populations. This analysis is issued in a new book, "Losing Ground: Environmental Stress and World Food Prospects," by Erik P. Ekholm, a senior researcher at the Washington-based World Council on Agriculture, an independent, non-profit-making organisation founded in 1974 to study emerging global problems.

The search for food is growing increasingly difficult, forcing people to shift to dried animal dung for cooking fuel. This, in turn, deprives the soil of needed organic matter and nutrients. Deserts are moving outwards as the poor struggle to feed growing populations. Overgrazing, the extension of cultivation to marginal lands and wood gathering are major causes of degradation of arid lands. The southward spread of the Sahara Desert is well known, but the threat also exists along the Sahel's northern edge where an estimated 250,000 acres are lost to the desert each year. Although only 10 per cent of the world's people live in mountain highlands, another 40 per cent in adjacent lowlands are in danger from deteriorating mountain environments, according to Mr. Ekholm. The slopes of all three major mountain zones in the developing world—the Himalayas, the Andes and the East African highlands—are being subjected to unprecedented pressures of deforestation, farming and grazing.

Downstream, the problems of flooding and erosion of canals and reservoirs are worsened by the deforestation of watersheds and the build-up of river silt loads. Mr. Ekholm cites the example of Pakistan, where severe flooding has increased over the last 25 years. Inadequate provision for drainage from irrigated fields is leading to water-logging and salinity. Mr. Ekholm estimates that each year 500,000 acres are passing from cultivation due to these two factors. Excess silt, he says, is the world's costliest waste, with a few exceptions. Filling up and destroying reservoirs far faster than builders can replace them. The longer leaders of developing countries wait to solve their agricultural problems, the higher will be the cost. While the technical means of ecological recovery are available, governments, with a few exceptions, have been unable to utilise their resources to revive their dying

Dead-end

"Marginal people on marginal lands will slowly sink into the slough of hopeless poverty," he says. "Some will continue to wrest from the earth what fruits they can; others will turn up in the dead-end urban slums of Africa, Asia and Latin America. Whether the deterioration of their prospects will be a quiet one is quite another question." Mr. Ekholm worked with a dearth of confirmed statistics because, he says, economists are always waiting to count up acres put into production but are reluctant to seek information on lost croplands. Still, he pinpoints four trends threatening agricultural lands in the underdeveloped world: desert encroachment; desertification of mountain ecosystems; and vast areas of irrigated lands menaced by waterlogging and salinity. Wood remains the principal cooking and heating fuel for most of the developing countries, and, along with land clearing, is the chief cause of deforestation. Outside legally protected forests (and even within some), the trees of the countryside are disappearing "at a frightening pace," says Mr. Ekholm. Deforestation of hillsides and lands accentuates flooding and erosion problems. In the Himalayas, for example, as desperate farmers and firewood

Australia

While the world is coming to depend increasingly on North America and Australia for food supplies, the U.S. could be neglecting its own soil conservation programmes in order to meet the high demand.

In response to high wheat prices, strip cropping and fallowing have often been neglected in favour of continuous wheat cultivation, says Mr. Ekholm. Together with low cattle prices, high grain prices have also encouraged a limited shift of rangeland into crops in drier, riskier areas. In a report to the U.S. Senate in early 1975, a committee of leading experts warned that "the farm community could be creating another Dustbowl."

30% increase in aluminium sales expected

LOS ANGELES, May 5. ALUMINUM COMPANY of America expects aluminium industry shipments in 1976 to increase by as much as 30 per cent over 1975, company chairman, Mr. William B. Renner, told security analysts here. This would make 1976 the industry's third highest shipping year on record, he said. Previous records were achieved in 1973 and 1974, consecutively.

COMMODITY MARKET REPORTS AND PRICES

Table with multiple sections: BASE METALS, COPPER, COCOA, COFFEE, SOYABEAN MEAL, WOOL FUTURES, SUGAR, RUBBER, GRAINS, FREIGHTS, and U.S. Markets. Each section contains detailed price reports and tables for various commodities.

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## STOCK EXCHANGE REPORT

Equities move cautiously following agreed pay deal  
Share index ends 0.2 off at 420.6—British Funds advance

## Account Dealing Dates

First Declared Last Account  
Dealing Date  
Apr. 20 Apr. 29 Apr. 30 May 11  
May 3 May 14 May 25  
May 17 May 27 May 28 Jun. 9  
New share dealings may take place  
from 9.30 a.m. two business days earlier.

Despite a great deal of uncertainty about the impact of the TUC wages deal with the Government, stock markets ended the day on a steady to firm note.

Gift-edged ended with gains ranging to 1 1/2 in the long on yield considerations while the shorts were up to 1 better; this left the Government Securities index with a rise of 0.37 to 62.47. Initial uncertainty about the wages pact was reflected in the FT 30-share index which, after having been 2.6 up at 10 a.m. on scattered buying, was showing a net loss of 1.9 at 1 p.m., a recovery later left the final index a mere 0.2 down on balance at 420.6.

News that the full conditional tax relief set out in the April Budget will be given, which creates any late interest after what had been probably the quietest day so far this week. Official mark- ings of 3.475 compared with 6.483 on Tuesday and 5.734 on Monday.

A steady stream of company trading statements continued to provide most of the day's features, but the general trend was to higher levels. Rises led falls by 3-5 in FT-quoted Industrials, while the FT 30-share index hardened 0.5 per cent to 171.23.

## Long Gilts respond

The projected further fall in U.K. rate of inflation following implementation of the Government's TUC wage pact brought forth quick recommendations for the yields currently offered by the long-dated British Funds. Quota- tions were raised in initial re-

ponse to news of the agreement, but this failed to deter buyers and after some minor fluctuation at the higher levels high-coupon issues closed 4 up at the day's best. Shorter maturities tended to sag in the early stages, being checked by the trend in sterling, but they too joined in the upturn later to end very firmly with gains to 1.

Still prone to the trend in sterling, the investment preference premium traded between 125 and 126 per cent. Business was again thin but showed some improvement on recent levels, ending with the rate a shade lower on the day at 124 1/2 per cent. Yesterday's SE conversion factor was 0.8304 (0.8287).

## C. E. Heath strong

The sharply higher profits and the indicated jump in dividend accompanying "rights" offer proposals imparted strength to C.E. Heath, which moved up sharply by 30 to a peak for the year of 402p. The news generated interest in other Lloyd brokers, where gains of 5 were recorded in Alexander Howden, 164p, and Leslie and Godwin, 134p, while Jinet Holdings added 3 to 134p.

The insurance sector otherwise had another quiet day, with prices reacting from initially higher levels to close with small net losses. Phoenix, 224p, after 220p, and Eagle Star, 335p, both ended a net 2 easier after their full reports.

Home Banks moved in similar fashion to Tuesday, ending little changed after sustaining early losses of 3 apiece. Barclays showed no alteration at 300p, after 305p, while Midland were finally 2 easier at 285p, after implementation of the Govern- ment TUC wage pact brought forth quick recommendations for the yields currently offered by the long-dated British Funds. Quota- tions were raised in initial re-

Zealand moved up 10 more to 473p.

Breweries closed a shade better for choice. Boddingtons responded to the proposed "rights" issue and chairman's encouraging state- ment with a rise of 5 to 99p.

Television issues had Scottish "A" 11 better at 285p and HTV 2 harder at 63p.

Burton erratic

Burton "A" improved in active trading to 59p on the better-than-expected interim figures before reacting to close a penny cheaper on balance at 59p. W. Wool- worth were 1 1/2 firmer at 87p, while Marks and Spencer finished 2p, harder at 39p. Mothercare rallied to 41p, following Press com- ment on the preliminary state- ment, while Newsagency had W. H. Smith "A" 4 better at 372p and "B" 5 higher at 145p. Resident International were active and 2 better at 311p.

Electricals fluctuated in thin trading before ending little changed on the day. GEC were finally a penny up at 185p, while Thorn Electrical finished 2 easier at 284p, after extremes of 285p and 282p. There was no decided trend in secondary issues, where Ward and Goldstone provided a small point of interest with a rise of 4 at 85p. Ever Ready, with preliminary results expected May 31, picked up 2 to 136p, while still on the increase, profits and scrip added a penny at 56p for a total gain of 4. Rascal Electronics, however, slipped 3 to 240p and MX Electric 2 to 84p.

Engineering changes were mostly insignificant, although GEP moved up 6 to 120p and Weyburn were similarly dearer at 250p. Greenbank Industrial re- sponded to good results and pre- posed scrip issue rising 2 to 50p, while Hopkins, 69p, Metal- rax, 25p, and Newman Tubes, 35p, were all the turn harder after Mother Tongue announced con- firming recent run of a bid approach, but that negotia- tions have since been dis- continued, did little for Tom

After initially improving to 407p, ICI reacted to 402p on small closing unchanged on the day at 404p. Elsewhere in Chemicals, Brest improved 5 to 87p, Laporte, however, at 105p, gave up 5 of the previous day's gain of 5 which

followed the preliminary state- ment.

After initial activity, the misce- laneous industrial leaders became very quiet. Bechem were finally 2 up at 565p, after 560p, while Associated Dairies improved 5 to 320p, while Linford, 203p, and Taverer Rutledge, 112p, put on 3 apiece. Brooke Bond hardened 1 1/2 to 41p. Supermarkets made head- way, Tesco and Lennons both closing 2 better at 42 1/2p and 36p respectively. In Caterers, J. Lyons "A" finished a penny harder at 106p following news that the franchise proposals had been approved.

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Martin, unaltered at 65p, after the slowdown in capital invest- ment, DRG picked up 2 to 126p 3/4 to 32p and Benjamin Priest in otherwise neglected Paper/ Printing. Among Advertising 32p, but Peter Brotherhood lost 4 to 39p and Harte Machinery fell similarly to 28p. GKN rose to 322p initially, influenced by the full report, before reacting to 320p, after a net 1 harder at 347p.

J. Sainsbury featured Foods, rising 10 to 130p on the better-than-expected preliminary figures. Associated Dairies improved 5 to 320p, while Linford, 203p, and Taverer Rutledge, 112p, put on 3 apiece. Brooke Bond hardened 1 1/2 to 41p. Supermarkets made head- way, Tesco and Lennons both closing 2 better at 42 1/2p and 36p respectively. In Caterers, J. Lyons "A" finished a penny harder at 106p following news that the franchise proposals had been approved.

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## FINANCIAL TIMES STOCK INDICES

	May 5	May 4	May 3	April 30	April 29	April 28
Government Secs.	62.47	62.10	62.18	62.16	62.14	62.14
Fixed Interest	61.90	61.56	61.70	61.70	61.67	61.66
Industrial Ordinary	480.6	480.8	481.2	481.1	481.2	481.2
Gold Mines	188.2	187.6	188.7	187.8	187.8	188.2
Ord. Div. Yield %	5.09	5.07	5.08	5.04	5.10	5.11
Earnings Yld % (all)	14.74	14.75	14.77	14.80	14.79	14.67
FT 30 Share Index	420.6	421.8	421.8	421.8	421.8	421.8
Debt Securities	5.471	5.486	5.486	5.486	5.486	5.486
Equity turnover (m)	65.28	78.88	70.18	61.97	61.97	61.97
Equity turnover (m)	14.950	16.290	15.614	14.194	14.194	14.194

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## AUTHORISED UNIT TRUSTS

<b>Unit Tr. Mgrs. Ltd. (a) (g)</b> Atlantic City, N.J. 1914 1915 1916 1917 1918 1919 1920 1921 1922 1923 1924 1925 1926 1927 1928 1929 1930 1931 1932 1933 1934 1935 1936 1937 1938 1939 1940 1941 1942 1943 1944 1945 1946 1947 1948 1949 1950 1951 1952 1953 1954 1955 1956 1957 1958 1959 1960 1961 1962 1963 1964 1965 1966 1967 1968 1969 1970 1971 1972 1973 1974 1975 1976 1977 1978 1979 1980 1981 1982 1983 1984 1985 1986 1987 1988 1989 1990 1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 2022 2023 2024 2025 2026 2027 2028 2029 2030 2031 2032 2033 2034 2035 2036 2037 2038 2039 2040 2041 2042 2043 2044 2045 2046 2047 2048 2049 2050 2051 2052 2053 2054 2055 2056 2057 2058 2059 2060 2061 2062 2063 2064 2065 2066 2067 2068 2069 2070 2071 2072 2073 2074 2075 2076 2077 2078 2079 2080 2081 2082 2083 2084 2085 2086 2087 2088 2089 2090 2091 2092 2093 2094 2095 2096 2097 2098 2099 2100 2101 2102 2103 2104 2105 2106 2107 2108 2109 2110 2111 2112 2113 2114 2115 2116 2117 2118 2119 2120 2121 2122 2123 2124 2125 2126 2127 2128 2129 2130 2131 2132 2133 2134 2135 2136 2137 2138 2139 2140 2141 2142 2143 2144 2145 2146 2147 2148 2149 2150 2151 2152 2153 2154 2155 2156 2157 2158 2159 2160 2161 2162 2163 2164 2165 2166 2167 2168 2169 2170 2171 2172 2173 2174 2175 2176 2177 2178 2179 2180 2181 2182 2183 2184 2185 2186 2187 2188 2189 2190 2191 2192 2193 2194 2195 2196 2197 2198 2199 2200 2201 2202 2203 2204 2205 2206 2207 2208 2209 2210 2211 2212 2213 2214 2215 2216 2217 2218 2219 2220 2221 2222 2223 2224 2225 2226 2227 2228 2229 2230 2231 2232 2233 2234 2235 2236 2237 2238 2239 2240 2241 2242 2243 2244 2245 2246 2247 2248 2249 2250 2251 2252 2253 2254 2255 2256 2257 2258 2259 2260 2261 2262 2263 2264 2265 2266 2267 2268 2269 2270 2271 2272 2273 2274 2275 2276 2277 2278 2279 2280 2281 2282 2283 2284 2285 2286 2287 2288 2289 2290 2291 2292 2293 2294 2295 2296 2297 2298 2299 2300 2301 2302 2303 2304 2305 2306 2307 2308 2309 2310 2311 2312 2313 2314 2315 2316 2317 2318 2319 2320 2321 2322 2323 2324 2325 2326 2327 2328 2329 2330 2331 2332 2333 2334 2335 2336 2337 2338 2339 2340 2341 2342 2343 2344 2345 2346 2347 2348 2349 2350 2351 2352 2353 2354 2355 2356 2357 2358 2359 2360 2361 2362 2363 2364 2365 2366 2367 2368 2369 2370 2371 2372 2373 2374 2375 2376 2377 2378 2379 2380 2381 2382 2383 2384 2385 2386 2387 2388 2389 2390 2391 2392 2393 2394 2395 2396 2397 2398 2399 2400 2401 2402 2403 2404 2405 2406 2407 2408 2409 2410 2411 2412 2413 2414 2415 2416 2417 2418 2419 2420 2421 2422 2423 2424 2425 2426 2427 2428 2429 2430 2431 2432 2433 2434 2435 2436 2437 2438 2439 2440 2441 2442 2443 2444 2445 2446 2447 2448 2449 2450 2451 2452 2453 2454 2455 2456 2457 2458 2459 2460 2461 2462 2463 2464 2465 2466 2467 2468 2469 2470 2471 2472 2473 2474 2475 2476 2477 2478 2479 2480 2481 2482 2483 2484 2485 2486 2487 2488 2489 2490 2491 2492 2493 2494 2495 2496 2497 2498 2499 2500 2501 2502 2503 2504 2505 2506 2507 2508 2509 2510 2511 2512 2513 2514 2515 2516 2517 2518 2519 2520 2521 2522 2523 2524 2525 2526 2527 2528 2529 2530 2531 2532 2533 2534 2535 2536 2537 2538 2539 2540 2541 2542 2543 2544 2545 2546 2547 2548 2549 2550 2551 2552 2553 2554 2555 2556 2557 2558 2559 2560 2561 2562 2563 2564 2565 2566 2567 2568 2569 2570 2571 2572 2573 2574 2575 2576 2577 2578 2579 2580 2581 2582 2583 2584 2585 2586 2587 2588 2589 2590 2591 2592 2593 2594 2595 2596 2597 2598 2599 2600 2601 2602 2603 2604 2605 2606 2607 2608 2609 2610 2611 2612 2613 2614 2615 2616 2617 2618 2619 2620 2621 2622 2623 2624 2625 2626 2627 2628 2629 2630 2631 2632 2633 2634 2635 2636 2637 2638 2639 2640 2641 2642 2643 2644 2645 2646 2647 2648 2649 2650 2651 2652 2653 2654 2655 2656 2657 2658 2659 2660 2661 2662 2663 2664 2665 2666 2667 2668 2669 2670 2671 2672 2673 2674 2675 2676 2677 2678 2679 2680 2681 2682 2683 2684 2685 2686 2687 2688 2689 2690 2691 2692 2693 2694 2695 2696 2697 2698 2699 2700 2701 2702 2703 2704 2705 2706 2707 2708 2709 2710 2711 2712 2713 2714 2715 2716 2717 2718 2719 27
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## INSURANCE, PROPERTY, BONDS

[illegible]

## READERS AND LAGGARDS

[illegible][illegible][illegible][illegible]

## CONTRACTS

**AND TENDERS.**  
**SYRIAN STORING & DISTRIBUTING CO.**  
**STROLEUM PRODUCTS "SADOP"**  
**No: 2684/23. - Date: 26/4/1978**

**COMPANY**

# NOTICES

**D.K. BAZAARS (1923) LIMITED**  
(Incorporated in the Republic of  
South Africa)

**NOTICE TO 5% SECOND CUMULATIVE  
PREFERENCE SHAREHOLDERS—**

ADVERTISEMENT FOR CALL OF  
OFFERS OF TOP URGENCY  
NO. 21

[illegible]

**NOTICE IS HEREBY GIVEN** that the full-yearly dividend of 3% has this day been declared payable on the 28th May 1975 in the currency of the Republic of

[illegible]

## CLUBS

189 Regent St. 734-0867. A la carte  
 DINING MENU. Three spectacular floor  
 was 10.45, 12.45, 3.45 and music of  
 your Haworth and friends.

GOOGLE, 55 Dora Street, London, W.1.  
 STRIPTEASE FLOORSHOW  
 SEX UNLIMITED  
 W M and Mingles and Mr. Hooters  
 Friday-Friday, Closed Sat. 437 8455.

GALIGHT, 4 Duke of York St. SW1.  
 01-734-1071, after 3 p.m. 01-830  
 8. Richard The Gaslight tonight  
 is sustained by an orchestra of  
 most appealing Cabaret to London.  
 Informative and friendly company, all  
 set elegant Edwardian surroundings.

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## PUBLIC NOTICES

**HAMPSHIRE COUNTY COUNCIL**  
m. bills issued 6/3/76. due 3/8/78  
100% p.a. Tenders totalled £40m.  
ending £18m.

## OFFSHORE AND OVERSEAS FUNDS

[illegible]

## NOTES

include 3 premium, where  
are in price unless otherwise  
% (shown in last column) allow  
2 expense. a Offered price  
b Today's price. c Yield  
price. d Estimated. e Today's  
Distribution free of U.K. taxes.  
f Includes all expenses except  
commission. g Offered price includes  
if bought through members.  
h price. i Net of tax on realised  
loss indicated by 4. j Quarterly  
deducted. k Single premium.  
l







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[illegible]



## Cod war decision may be unwelcome

BY MALCOLM RUTHERFORD

THE Government is due to announce today its decision on whether to provide greater protection for trawlers off Iceland. But it is far from certain the decision will satisfy the fishing industry.

The main disagreement within the Government continues to be between the Ministry of Agriculture, which recognises that withdrawal of trawlers would have serious consequences for the industry and, in effect, would mean Britain had conceded the cod war, and the Ministry of Defence, which argues that Royal Navy protection involves high risks in terms of men and money.

The cost of damage to Royal

Naval frigates so far is put in the region of £1m, and now that Icelandic gunboats are using more aggressive tactics there is even the danger that a frigate could be sunk. A Navy deployment in the Far East has had to be cancelled because too many frigates were involved in the Icelandic dispute.

The Defence Ministry admits that it has the capability to provide more protection and will have to if the Government so decides. This could be done by increasing the number of frigates and of civilian protection vessels.

Mr. William Rodgers, Minister of State, told the Commons yesterday that it was a question of finding the right balance

between affording adequate protection and avoiding loss of life.

Also there is the question of whether any measures announced today will be enough to satisfy the industry. All but one of the 15 trawlers in the disputed waters reacted to Tuesday night's message from Mr. Fred Peart, Agriculture Minister, to remain where they were by turning for home, although later they were ordered back by their owners. Fishing was not possible.

The industry is seeking an unequivocal statement of Government policy and will make its decision in the light of today's announcement. It is also asking for compensation for times when trawlers have been unable to

fish because of harassment.

The Foreign Office is playing a very little role in the dispute but insists that it will not mean British recognition of the Icelandic claim to 200-mile fishing limits. Mr. Crosland, Foreign Secretary and MP for the fishing coast of Grimsby, is in China.

Jon Magnusson writes from Reykjavik: A spokesman for Icelandic coastguards said it was a victory after it was announced that the British trawler fleet had left the disputed fishing banks. The fleet, however, subsequently returned and some Icelanders believe that Royal Navy protection will be stepped up.

The Icelandic Prime Minister,

Mr. Geir Hallgrímsson, said yesterday that his government had not received a proposal for settlement from London. This statement was supported in a speech in Parliament by the Minister of Foreign Affairs, Mr. Einar Arnarson.

Mr. Hallgrímsson has said many times that Iceland will not negotiate with Britain until the Navy has left the 200-mile zone. But there have been many direct contacts made during the past few weeks between the two, and one official in Reykjavik admitted that a solution is in sight but refused to comment about when a settlement could be reached.

## THE LEX COLUMN

# Waiting for a breakthrough

The wage deal had no instant message for the securities markets yesterday, but even those who are opposed to the whole idea of such an arrangement seemed to agree that of its kind it is a notable achievement. Since it will not be tested in practice until the earliest of the autumn there is a good chance that inflationary expectations for 1977 may tend to be revised downwards over the next few months. At any rate, that is what the authorities have been counting on: the Government broker has resisted the temptation to make sizeable, gilt-edged sales at lower prices during the past couple of weeks.

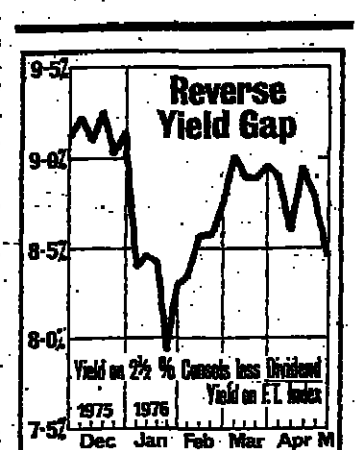
In the short term the gilt market needs a favourable signal from sterling, and the prospect of some decline in M.L.R. which at 10½ per cent. is quite a problem for the shorts. If this happens then the institutions could once again be large buyers. But this does not necessarily imply a major advance in prices, for the market is already very fractionally below the CB's last prices for both the short and long taps. And given the size of the 1976-77 funding programme the authorities are unlikely to let prices run away.

Aside from its impact on inflation the 4½ per cent. package will also reinforce the idea that the corporate sector is going to become a great deal more profitable over the next year. So far the Budget projections of an export-led recovery are on course. And the Chancellor has again promised revisions to the Price Code in order to encourage investment.

But there are still two obstacles to further advances in share prices. Although nothing was said about dividend controls yesterday the market is extremely nervous about further tightening here. And in any case, a high reverse yield gap will become an even greater barrier if long term assumptions about inflation really do change. The insurance fund manager is less impressive p/e multiple for shares than by the fact that it will take many years of rapid dividend growth to offset the existing yield disadvantage.

There is a possibility that the economic background will look encouraging for the next few months, but potentially severe financial pressures will remain in the system. In particular, interest rates will not be affected just by the trend of

Index fell 0.2 to 420.6



is 14.2 with a yield of 9.2 cent.

Burton Group

The drop of a third in worth's interim profits last week had prepared the market for yesterday's bleak and forecast from the Burton Group. Turnover for the year to February is only 1 per cent. higher and since then has been unchanged in cash, while interim pre-tax profits of £900,000 lower at £1.05m, including £670,000 from property sales. Trading has been difficult in almost all areas except the younger age group though menswear and T-shirts have managed a slight improvement, while the French which lost £771,000 in 1975 is back in the black. But Greens and Peter Robinson still losing money though, ton is talking about a substantial improvement from 1975.

The problem now is men'swear volume is falling even more rapidly than 3 to 5 per cent. decline of first half while activity France has also turned down recent weeks. So the group is lucky to make much if any, for the year as a whole before taking account of property sale profits which are very likely to be lower than the first six months. G. Green, the dividend, is expected to be uncovered if at last year's total, £1.37m. net. There are few transactions in a capitalise £20.7m. at 56p and doubts about a yield of 12.1 cent.

Bank of Ireland

Inflation did not hit the Bank of Ireland so badly last year. Historic cost profits are still higher and the inflation eased—by nearly a third—1974-75 24 per cent.—so a 1975-76 shareholding equity remains intact. A 1975-76 accounting red actual net worth by 71 per cent. last year, and tax profits emerge £2m. higher at £25m. on an historic basis. £4.3m. of the profit came in the second half of 1975. November's point rises margins.

As for the rights issue, holders are being asked to enter their pockets for the time in two years. But the 1976 dividend is going up at fifth for an ex-rights yield of 130p, up 10p yesterday, the p/e 6.1 per cent.

## Sterling ends weaker in volatile market

BY COLIN MILLHAM

VARYING REACTIONS to the pay agreement between the Government and the TUC caused a very volatile market to develop in sterling.

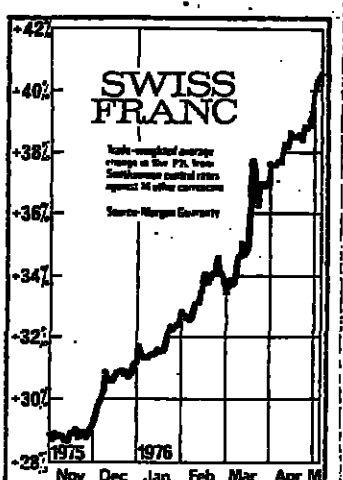
The pound improved to \$1.8445 against the U.S. dollar before the terms of the deal were announced. But when some sections of the market were pleased that an agreement had been reached, others tended to feel that the settlement was at least 1 per cent. more than expected.

Some selling of sterling developed in the afternoon, but this was in a rather thin market. If any support was given by the Bank of England it was on a relatively small scale.

The pound closed in London at \$1.8250, a fall of 25 points on the day. Later, after the close of European markets, sterling continued to decline towards the close in New York. The Bank of England's calculation of the pound's depreciation narrowed to 37.4 per cent., from 37.5 per cent., but this would not reflect the late weakness in sterling, since it was calculated before the London market had closed. In the morning the depreciation had improved to 36.9 per cent.

### Uncertainty

Political uncertainty in Italy continued to undermine the lira. Fears that the Communists will emerge as the major party in the forthcoming general election, pushed the lira to an all-time low of L331 in terms of the dollar. Some support from the Bank of Italy however helped the



lira to recover to L317 at the close, unchanged on the day. Increasing worries about inflation and comments from the president of Fiat that the Italian economic position could worsen contributed to the weakness.

France is another country in Western Europe with a strong Communist party, and the strength of the Communists in Italy affected the French franc. If lost ground during the day to finish at Frs.4.68 against the dollar, compared with Frs.4.67 previously.

Nervousness surrounding many European currencies has again been reflected in the upward movement of the Swiss franc, and further purchases of dollars by the Swiss National Bank failed to do much more than slow the currency's advance.

## Hongkong & Shanghai Bank in £32m. office deal

BY QUENTIN GUIRDHAM, PROPERTY CORRESPONDENT

THE Hongkong and Shanghai Banking Corporation is to pay never been disclosed. It is £32.35m. for the head leasehold of its new City of London headquarters. In Holland, British group Town and City Properties, is negotiating the sale of two office developments, owned by a joint company, to the municipality of Rotterdam for about £25.6m.

These will be the two largest sales of developments made by British groups this year. The head lease on the Hongkong and Shanghai's building at 88 Bishopsgate, the newest tower block in the City, is being sold by Berkeley Hambro Property Company and by executors and associates of the late Mr. Felix Fenston. The two parties had half-shares in the development, and Prudential Assurance is the freeholder.

Hongkong and Shanghai had already agreed to lease 180,000 sq. ft. of the 300,000 sq. ft. tower to house its City staff and that of its subsidiary, Mercantile Bank. When the building formally opens on May 24 it will also house the head office of another Hongkong and Shanghai subsidiary, the British Bank of the Middle East.

Hongkong and Shanghai said yesterday that its purchase was based on the fact that it preferred to own its own property. The deal also "reflected the group's confidence in the importance of the City of London."

Buying a long head-lease on the property is also attractive to the banking group because of the fall in City rents. It had originally negotiated terms to rent its 180,000 sq. ft. at the end of 1973. Banking hall space in the City was then fetching more than £30 per sq. ft. and modern office space little less.

So, although the figures have with Hambros Bank which had extensive holdings on the west side of Bishopsgate.

Though once known as the "tutor" of Mr. Henry Hyams, (the pair were at one time involved together in several projects) Mr. Hyams is not among the associates or the family of Mr. Fenston who together have an interest in half the £32.35m. Michael van Os writes from Amsterdam. It has been termed the biggest Dutch property deal ever. It is understood that the basic price of Town and City's two buildings is £125.7m. The municipality of Rotterdam, the purchaser, will be paying another £125.7m. (£4m.) at least in value-added tax.

The scheme was owned by Town and City in a joint venture with a local company, Overbeek with the latter furnishing the site. It is reliably reported that the "notarial conveyance" will be effected "after the recent approval of the deal by the Rotterdam City Council following the initial approval by the Rotterdam municipal and aldermen."

The two buildings, called Europol 2 and Europol 3, each offer an identical 31,000 square metres of office space. Europol 2 has been available for letting for about 14 years which would mean a rent loss of an estimated £100m. at a price of £125,000 per square metre. Recently 4,000 square metres was let.

The deal was negotiated on the British seller's behalf by J. Jones Lang Wootton. It is understood, however, that the pure (net) building cost was around £100m. (about £10m.) per building.

The late Mr. Fenston's interest in the site of the development began at least a decade ago. Having acquired some of the buildings on it he joined forces

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## Reagan hat-trick in primaries will keep nomination in doubt

BY JUREK MARTIN, U.S. EDITOR

MR. RONALD REAGAN'S hat-trick of victories in yesterday's primary elections not only ensures that the Republican Party's Presidential nomination will remain in doubt until the convention in mid-August.

It means the probable paralysis of American foreign policy for the rest of the year.

President Ford admitted his disappointment this morning, though he would not win in the end. Asked if he thought he had been hurt by the foreign policies of Dr. Henry Kissinger, he replied cryptically: "We're in the process of analysing the total picture. I can't say it was foreign policy alone though it was a contributing factor."

Mr. Reagan's key triumph yesterday was in Indiana, though those in Georgia and Alabama were more conclusive. But his 51-49 per cent. margin over President Ford represents a sharp reversal from opinion polls, which had the President 25 points ahead a few months ago in the sort of Northern, semi-industrialised state he had had no great difficulty in winning before. More decisive was Mr. Reagan's haul of 45 Indiana convention delegates—versus Mr. May 18, where Democrats can

vote in the Republican primary. With delegates committed to neither candidate numbering almost as many as those who are, there is every chance that the nomination will still be in doubt until the convention.

No such doubt exists on the Democratic side. Mr. Jimmy Carter from Georgia was crowned in his own state (84 per cent.), swept all before him in Indiana (68 per cent.), was leading in the Federal District of Columbia, and trailing only in Governor Wallace's fiefdom of Alabama, where even Mr. Wallace was heard to mutter that he could support a Carter candidacy.

Mr. Reagan has made bay on two principal counts. His assault on the pervasive influence of the Federal Government in Washington, and his criticisms of the conduct of American foreign policy in general and Dr. Henry Kissinger in particular.

The Ford response has been to try, unsuccessfully, to out-Reagan Reagan. Unless the President changes direction completely, this can only mean he will not entertain foreign policy initiatives in the immediate future that would provide Mr. Reagan with campaign ammunition.

The next really critical battle is likely to be in Mr. Ford's home state of Michigan on May 18, where Democrats can

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## Lonrho buys stake in stores chain

BY KEITH LEWIS

LONRHO, the mining and industrial group headed by Mr. R. W. "Tiny" Rowland, and in which there is a large Arab shareholding, has bought 500,000 shares (approximately 4.5 per cent. of the issued capital) of specialist retailers Combined English Stores from Mr. Murray Gordon, the chairman.

Mr. Rowland has been appointed director and deputy chairman of Combined English, and Mr. S. A. Butcher, another Lonrho director, is joining the Board.

Lonrho's stake was bought for 110p per share, compared with last night's closing price for Combined English of 75p—down 1p on the day. Lonrho closed 1p higher at 94p. After the purchase, Mr. Gordon's personal holding in Combined English will be reduced to 660,000 shares, or about 31 per cent. of issued capital.

At the beginning of last month,

Combined English—which controls, among other things, the Salisbury Handbags and Chain, the Fenelon clothing chain, and has interests in toys and household textiles—reported annual pre-tax profits of £4.35m., compared with £3.5m. in the previous financial year.

Lonrho's overseas contacts and financial strength are expected to speed Combined English's stated intention to expand abroad, particularly in North America.

Mr. Murray Gordon made it clear last night that he had not been seeking to reduce his own personal holding and that the cash deal worth almost £900,000—which took only four days to settle—followed a casual meeting between the groups. Mr. Gordon would not be drawn on whether Lonrho could be expected to increase its holding in Combined English.

Continued from Page 1

## Pay increases

As well as resisting union pressure to retain food subsidies, the Government has stuck to its intention to ease the Price Code in favour of investment. Details, however, remain to be negotiated with the CBI and the TUC.

The existing 10 per cent. limit on dividend increases remains in force, though in practice the Treasury has proved very ready to authorise higher increases for companies which wish to raise new capital through rights issues.

The new agreement does not affect the Government's estimate that incomes by £1½ per cent. in the coming year. In the immediate future, when the tax concessions come into force, there will be an improvement, but over a full year net pay, even allowing for the tax concessions, will again fall behind prices.

Rising commodity prices already threaten a somewhat faster rate of inflation than the Government at one stage hoped to achieve, but the main threat comes from the depreciation of sterling. This is now thought to have gone considerably further

than is necessary to ensure export-led growth and some Treasury officials fear that the recent fall will raise demand for exports and import substitution faster than industry can meet it.

In these circumstances any further fall would be purely damaging, offering no effective trade-off of higher growth for higher inflation. The Government therefore hopes to see sterling improve a little from recent levels, aiding its objective of steady, manageable growth.

While the new deal is claimed to meet the Government's immediate anti-inflation objectives, it is conceded that its structure may give rise to some problems. The tightness of the formula, considerably more stringent than the Government has originally hoped, allows no scope for dealing with anomalies—already causing some trouble—as in the recent wave of strikes in Leyland car plants. Differences, except in the central £30-£80 pay range, will be further compressed.

## U.S. drops car dumping inquiry

BY DAVID BELL

THE U.S. Treasury has decided to drop its investigation into the dumping of foreign cars on the American market.

It says it will do this provided it receives specialised assurances from manufacturers which it considers are still selling cars in the U.S. at lower prices than at home.

This decision is likely to be welcomed in Japan and Europe, where the investigation has been criticised repeatedly and cited as an example of possible protectionist trends in the U.S.

The inquiry began last August following allegations by the United Auto Workers' Union of dumping and it has been concerned with a market worth about \$7.4bn. last year. This is the largest investigation of its kind held in the U.S.

Mr. William Simon, Treasury

Secretary, said in a statement that of the 28 European and Japanese companies investigated four had been found innocent of dumping charges.

Toyota and Nissan are among these four despite the auto union's conviction that both were dumping. The other companies are Rolls-Royce and Porsche.

The Treasury says that 18 of the remaining 24 companies have been dumping, but have so narrowed the margin between their home and U.S. prices that there is now no significant difference between the two. A further eight—the Treasury is not prepared to say which they are—are said still to be selling their cars at lower prices in the U.S. than at home.

Mr. Simon said action would not be taken against them if they agree to adjust prices and action will not be taken against the

others if they promise to make sure that the gap between their home and U.S. prices does not widen again.

Precise terms of the Treasury's instructions to the eight companies will not be made public until later this month.

Guy de Jonquieres, Common Market Correspondent, writes from Brussels: A spokesman for the European Commission expressed relief over the Treasury action but reserved judgment until details of the decision had been received.

Terry Dodsworth adds: In London, British Leyland welcomed the dropping of dumping allegations, which removes a serious threat to future sales in the U.S. of its profitable Jaguar and sports car range.

U.S. car sales, Page 4

## Weather

U.K. TO-DAY

FOG, rain, but dry later. London, S.E. England, E. Anglia. Outbreaks of rain, brighter later. Winds variable. Max. 14C (57F).

N. and S. England, Midlands, Channel Is., Wales, Lakes. Cloudy, some rain or drizzle. Winds variable. Max. 14C (57F). F. of Man, Borders, Edinburgh, Dundee, Aberdeen areas, S.W. Scotland, Highlands, Moray Firth area, Argyll, N.W. Scotland, N. Ireland.

Cloudy, perhaps a few showers. Winds W. Max. 10C (50F). N.E. Scotland, Orkney, Shetland. Cloudy, a few showers. Winds variable. Max. 8C (46F).

Outlook: Dry with sunny periods, some rain in W. and E. Lighting-up: London 21.00, Manchester 21.17, Glasgow 21.34, Belfast 21.36.

### BUSINESS CENTRES

City	Y-day	Today	Y-day	Today
Albania	31	31	31	31
Algeria	31	31	31	31
Amsterdam	31	31	31	31
Antwerp	31	31	31	31
Athens	31	31	31	31
Bahia	31	31	31	31
Batavia	31	31	31	31
Bombay	31	31	31	31
Buenos Aires	31	31	31	31
Calcutta	31	31	31	31
Canton	31	31	31	31
Cebu	31	31	31	31
Colon	31	31	31	31
Hankow	31	31	31	31
Hong Kong	31	31	31	31
Kobe	31	31	31	31
London	31	31	31	31
Lyons	31	31	31	31
Manila	31	31	31	31
Medan	31	31	31	31
Osaka	31	31	31	31
Panama	31	31	31	31
Paris	31	31	31	31
Perth	31	31	31	31
Rangoon	31	31	31	31
San Francisco	31	31	31	31
Singapore	31	31	31	31
Sourabaya	31	31	31	31
Tientsin	31	31	31	31
Yokohama	31	31	31	31

### HOLIDAY RESORTS